



DOUBLE MATERIALITY ASSESSMENT REPORT

Flex Films Europa Sp. zo.o



INTRODUCTION

Background & Context

Flex Films Europa Sp. zo.o has undertaken a Double Materiality Assessment (DMA) in alignment with the **European Sustainability Reporting Standards (ESRS)**, guided by the **EFRAG** Implementation Guidance on Materiality Assessment (May 2024). **ESRS 1** provides the principles for applying double materiality and other reporting concepts, while **ESRS 2** requires disclosure of the assessment process, results, and their integration into governance and strategy.

This exercise is a step towards understanding not only how Flex Films Europa Sp. zo.o. impacts the environment and society (**impact materiality**) and the financial risks and opportunities arising from sustainability matters (**financial materiality**),

but also how it responds to evolving stakeholder expectations and global disclosure trends.

This DMA report outlines how Flex Films Europa Sp. zo.o has identified actual and potential, positive and negative impacts across environmental, social, and governance (ESG) topics including impacts on human rights as well as risks and opportunities that may influence enterprise value. Material topics have been prioritized based on their **significance to stakeholders** and their **magnitude, likelihood, and scope of impact or financial relevance**. Stakeholder input was a critical part of this process, ensuring a balanced and inclusive assessment.



Objective of the Assessment

The assessment provides a structured foundation for Flex Films Europa Sp. zo.o's sustainability strategy and reporting by linking material topics to associated risks, opportunities, regulatory requirements, and business priorities. It serves as a tool to strengthen resilience, guide decision-making, and position Flex Films Europa Sp. zo.o as a responsible partner in sustainable packaging.

By providing a **robust evidence base**, the DMA enables Flex Films Europa Sp. zo.o to guide priority setting, target formulation, governance, risk management, and performance monitoring, while integrating sustainability into the core

of its business strategy by embedding these considerations into decision-making.

In line with the European Sustainability Reporting Standards (ESRS), the assessment further aims to align Flex Films Europa Sp. zo.o's approach with **due diligence expectations** under international frameworks and strengthens Flex Films Europa Sp. zo.o's preparedness for evolving regulatory requirements such as the Corporate Sustainability Reporting Directive (CSRD) and ensures alignment with leading international frameworks like GRI and IFRS Sustainability Disclosure Standards (IFRS S1 & S2).

Scope of the assessment

The assessment covers **not only Flex Films Europa Sp. zo.o's own operations but also its upstream and downstream value chain** – and help in building long-term resilience and value creation across its global operations.

Own operations:

For Flex Films Europa Sp. zo.o's own operations, we assessed sustainability-related actual and potential impacts on people and the environment and identified sustainability risks with potential financial implications for the business. The assessment focused on key processes and operations across our packaging film unit in Poland.

Value chain (Upstream and Downstream)

For value chain assessments, we concentrated on both upstream and downstream activities, especially raw material procurement, supplier practices, and waste management. These assessments were based on internal expertise supplemented by supplier engagement insights and focused primarily on Tier 1 suppliers.

Geographical scope of assessment

The assessment was conducted for Flex Films Europa Sp. zo.o's operations, covering the Polish entity of Uflex Ltd.

Process Steps

Flex Films Europa Sp. zo.o has adopted a structured six-step approach to conduct its Double Materiality Assessment, ensuring methodological rigor, stakeholder inclusiveness, and alignment with ESRS requirements.

1. Identification of Topics

A comprehensive benchmarking exercise was conducted to identify the universe of material topics for the plastics and packaging sector, incorporating insights from SASB, MSCI, and ESRS standards, relevant regulatory requirements, peer disclosures, and Flex Films Europa Sp. zo.o's internal risk registers.

2. Stakeholder Engagement & Capacity Building

To strengthen stakeholder understanding and ensure consistency, capacity-building sessions were conducted across geographies - engaging CXOs, senior management, employees, suppliers, customers, research bodies, and industry associations. These sessions explained the concept of double materiality, its relevance to Flex Films Europa Sp. zo.o, the assessment process, and the methodology for scoring survey responses.

3. Data Collection & Deep Dives

Structured Excel-based surveys were distributed to capture stakeholder views, assessing likelihood and severity for impact materiality, as well as likelihood and magnitude for financial materiality. One-on-one interviews and workshops were also held to clarify responses and capture richer insights into value chain impacts, dependencies, and risks.

4. Prioritization of Material topics

Survey responses were consolidated, and differentiated weightages were applied across stakeholder groups to reflect their level of influence and perspective, with business leadership given the highest weightage due to their role in shaping strategic direction. A structured risk matrix was then developed to evaluate, score, and prioritize topics across both impact and financial materiality dimensions, with a management overlay applied to finalize the matrix.

5. Validation of Results

The outcomes were reviewed and validated through focused discussions with the CSR Committee and the ESG Steering Group (comprising of **Chief Sustainability Officer (CSO)**, Corporate ESG head, ESG Corporate team and Regional ESG leads and Data custodians).

6. Final Approval & Integration

Final approval of the materiality outcomes was obtained from senior leadership (CSO/MD and the Board). The prioritized list of topics was embedded into governance structures, serving as an input for Flex Films Europa Sp. zo.o's ESG roadmap, target-setting, disclosures, and integration into strategic decision-making – as detailed out in this sustainability report.

Tools Used

01

Excel-based surveys

02

Workshops and capacity building

03

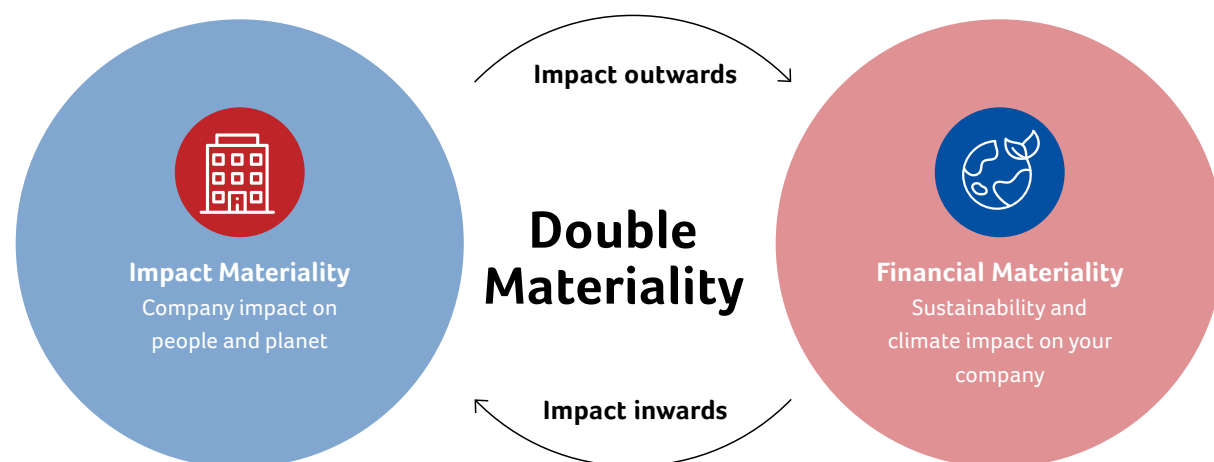
One-on-one interviews with stakeholders

DOUBLE MATERIALITY ASSESSMENT APPROACH

Process for determination of material topics

The process steps for determining the material topics are outlined in the figure below. Flex Films Europa Sp. zo.o's materiality assessment process considers all relevant topical ESRS matters, evaluated through stakeholder dialogue, internal analysis, and value chain mapping. Each topic was assessed for both impact and financial materiality using defined scoring criteria, without examining subtopics or sub-subtopics. Identified impacts are categorized by time horizon in line with ESRS 1: short-term (reporting year), medium-term (1–5 years), and long-term (over 5 years). Further details on scoring, stakeholder input, and value chain analysis are provided in the following sections.

Double materiality assessment of:	Sustainability topics included in the assessment drawn from:	Types of impact assessed for each topic:
1. The company's impact on environment and society 2. The impact of outside factors on the company's finances	1. ESRS topics 2. Previous materiality assessment 3. Benchmarking (SASB, MSCI, etc.) 4. Peers' material topics	1. Value chain a. Upstream b. Downstream c. Own operations 2. Negative/positive impact 3. Actual/potential impact 4. Risk/opportunity 5. Time horizon



Stakeholder prioritization and engagement

Flex Films Europa Sp. zo.o has used value chain mapping as a core tool to identify and assess the environmental and social impacts connected to our operations—both direct and indirect. This approach focuses on understanding our key risks, opportunities, and dependencies across the entire value chain, from raw material sourcing to product end-of-life. The mapping process helps uncover areas where sustainability challenges may arise, as well as where there are opportunities to integrate responsible practices and innovative solutions that enhance long-term resilience.

By analyzing dependencies and interconnections, Flex Films Europa Sp. zo.o can proactively identify vulnerabilities that may amplify environmental or social risks. This insight supports strategic actions aimed at strengthening the sustainability and adaptability of our operations and supply chains.

Stakeholder feedback plays a vital role in this process. Stakeholders help assess the significance of impacts by considering the degree of severity or benefit, and evaluate risks and opportunities based on their likelihood and potential financial effect. Flex Films Europa Sp. zo.o distinguishes between two key stakeholder groups: **affected stakeholders**, such as suppliers, employees, and the natural environment; and **users of sustainability statements**, which include customers and investors.

Stakeholders were identified in consultation with senior leadership and through a review of those individuals, groups, and organisations either impacted by our activities or influencing

our strategic outcomes. Key stakeholder groups include:

1. Board members
2. KMPs
3. Corporate heads
4. Business heads
5. Research and academics
6. Industry associations
7. Customers
8. Suppliers
9. Employees
10. NGOs
11. Investors

These stakeholders were engaged through structured sessions and a detailed questionnaire to gather their insights, which were then integrated into the value chain mapping and materiality assessment.



Impact materiality scoring

An ESG topic is material based on the impact of our activities on the environment and people across the value chain. The impacts were evaluated and scored based on their severity and likelihood. Severity is based on scale, scope and irremediable character as defined in ESRS 1. The severity and likelihood of impacts were scored from low (1) to high (3).

Environmental impact scoring

To assess the severity and likelihood of Flex Films Europa Sp. zo.o's positive and negative environmental impacts, we evaluated both our current and potential influence on the environment across our operations and value chain. An environmental aspect is defined as any element of our activities, products, or services that interacts with or affects the environment, while an environmental impact is the consequence of that interaction.

The scale of each impact was assessed based on operational context and Flex Films Europa Sp. zo.o's risk register, serving as a key criterion to determine the magnitude of both actual and potential impacts. The scope was evaluated based on how widespread or pervasive the impact is—such as the global nature of greenhouse gas emissions compared to

more localized environmental effects. Additionally, remediation was considered, referring to the level of difficulty involved in reversing or mitigating the environmental impact once it has occurred. This structured evaluation supports a consistent and transparent approach to identifying and prioritizing Flex Films Europa Sp. zo.o's most significant environmental impacts.

Social impact scoring

To assess the severity of Flex Films Europa Sp. zo.o's positive and negative impacts on people, we developed a scoring framework based on two key factors: the scale of the impact and the size of the affected stakeholder groups. The scale was determined with reference to applicable legal requirements, international standards, and Flex Films Europa Sp. zo.o's specific operational context. In addition, irremediability was evaluated by considering how difficult it would be to reverse or mitigate the impact on individuals or communities. This structured approach ensures a consistent and transparent evaluation of Flex Films Europa Sp. zo.o's social impacts across our value chain. The table below represents the scoring criteria for social impact:

Points/ Score	Scale (How severe are the positive or negative impacts?)	Scope (How widespread are impacts on the environment?)	Irremediability (How difficult is it to remedy the negative impacts?)
3	High environmental/ social impact	Impacts present at national level across many countries / affects high number of stakeholders	Irreversible negative impact. Long-lasting impact on people
2	Moderate environmental/ social impact	Localized at the national level of one country / affects moderate number of stakeholders	Moderately difficult to remedy the negative impacts
1	Minimal environmental/ social impact	Localized at the sub-national level of one country / affects limited number of stakeholders	Negative impacts are easy to remedy

Financial materiality scoring

To assess financially material ESG topics, we applied a structured evaluation based on the potential impact on EBITDA and capital investments. An ESG issue is considered financially material if it has the potential to influence the current situation, future development, financial position, cash flows, cost of capital, or overall enterprise value of Flex Films Europa Sp. zo.o in the short, medium, or long term—regardless of whether such effects are currently reflected in our financial reporting.

Each risk and opportunity were scored based on:

- **Magnitude of impact on EBITDA** – categorized as low, medium, or high, based on the scale of effect on operating profit.
- **Likelihood** – the probability of occurrence.

The final scoring integrates these three dimensions to provide a weighted ranking of all identified risks and opportunities. This allows Flex Films Europa Sp. zo.o to prioritize issues that pose a significant financial impact or present strategic advantages, even if they are not yet fully captured in financial disclosures.

The scoring scale for financial materiality is provided in the table below:

Points/ Score	Magnitude (How big of an impact would this risk or opportunity have if it were to materialize)
3	>5% decrease (in case of risk) or increase (in case of opportunity) on EBITDA
2	1% - 5% decrease (in case of risk) or increase (in case of opportunity) on EBITDA
1	Up-to 1% decrease (in case of risk) or increase (in case of opportunity) on EBITDA

Likelihood scoring for impact and financial materiality

For each identified impact, risk and opportunity, Flex Films Europa Sp. zo.o evaluates likelihood based on a combination of frequency of occurrence and probability of realization within defined time horizons. Likelihood is rated on a three-point qualitative scale (low, medium,

high), corresponding to a quantitative probability. This dual approach ensures that both historical occurrence patterns and forward-looking projections are considered in determining the probability of a risk or opportunity materializing, thereby strengthening the integrity of the overall financial materiality assessment.

The likelihood scoring scale is represented in the table below:

Points/ Score	Frequency (How often does the (actual or potential) negative or positive impact occur or is expected to occur?)	Probability How likely is it that the (potential) negative or positive impacts will occur?
3	Impact may occur multiple times in a span of 12 months	Almost certain, more than 70%
2	Impact may occur once in 1-3 years	Likely, 41% to 70%
1	Impact may occur once in over 3 years	Unlikely, Below 41%

Thresholds

In line with ESRS guidance, Flex Films Europa Sp. zo.o has set the materiality threshold at 'significant'. Accordingly, only those impacts, risks, or opportunities assessed as significant or above are considered material and included in the final list of topics.

Management Overlay

In line with ESRS guidance, while the Double Materiality Assessment is primarily grounded in structured scoring of stakeholder inputs and financial/impact relevance, Flex Films Europa Sp. zo.o has also applied a management overlay in a limited and well-governed manner. This allows senior leadership to exercise informed judgement to elevate topics of strategic, forward-looking, or reputational significance — even where they may have scored lower in the structured process — ensuring they are appropriately reflected in disclosures.

The overlay is designed to complement, not replace, the structured methodology, and all adjustments have been made transparently, without altering underlying scores, and with clear rationale, documentation, and governance oversight. Through this approach, Flex Films Europa Sp. zo.o preserves transparency and comparability while providing decision-useful insights that the Board can rely on for prudent capital allocation and long-term resilience.



Results of the double materiality assessment

We have identified our impacts on the environment and society (impact materiality assessment), as well as the sustainability-related risks and opportunities we are exposed to (financial materiality assessment). The outcome is aggregated at the sub-topic level, highlighting that **climate change mitigation and provision of non-occupational health services**, are the most material sustainability matters for Flex Films Europa Sp. zo.o—when assessed from both the impact and financial materiality lens.

For Flex Films Europa Sp. zo.o, the material matters under **E1 (Climate Change)** and **E5 (Resource Use and Circular Economy)** are particularly significant and directly connected to our long-term strategy. Our focus on **developing sustainable packaging solutions and scaling circular economy initiatives** supports climate mitigation by reducing dependency on virgin plastics and lowering emissions across the value chain. At the same time, these interventions require considerable investments in advanced recycling technologies, renewable energy adoption, and raw material substitution. For example, while our efforts in introducing recyclable and biodegradable films help minimize downstream environmental impacts, they also involve resource-intensive innovation, higher energy requirements, and reliance on materials such as resins and specialty polymers that carry indirect environmental footprints. This interplay reflects both the opportunities and challenges of transitioning towards a **low-carbon, resource-efficient packaging model**, underscoring the need for continuous innovation, stakeholder collaboration, and transparent disclosure to ensure that growth remains sustainable and aligned with global climate goals.

Beyond the matters' material from both lenses, our assessment also highlights topics that are **impact-material only** including **GHG emissions, supplier screening, training & upskilling, remuneration & benefits and life cycle assessment of products**. While these topics may not pose immediate financial risks, they reflect areas where our actions create real and lasting impact on people, communities, and the environment. By strengthening supplier relationships, investing in our people through training and fair rewards, and designing products with lower environmental footprints, we are contributing to a more responsible and resilient value chain. These efforts go beyond compliance, they reflect who we are as a company and what we stand for. By prioritising inclusion, wellbeing, and resource efficiency, Flex Films Europa Sp. zo.o is helping build a foundation of trust and shared progress, ensuring that our growth benefits not just the business, but also the society and environment we operate in.

Among the financially material topics, **climate change adaptation, risk mitigation plans, sustainable sourcing, and capital expenditure in improving ESG performance** emerge as a critical material topic for Flex Films Europa Sp. zo.o. These dimensions are central to how Flex Films Europa Sp. zo.o navigates evolving sustainability challenges and aligns investments with long-term business resilience. By embedding ESG considerations into capital allocation and risk management frameworks, the company strengthens its capacity to mitigate exposure, capture new opportunities, and sustain competitiveness in a rapidly shifting global landscape.

Double Materiality Matrix

Fig 1: Double Materiality Matrix

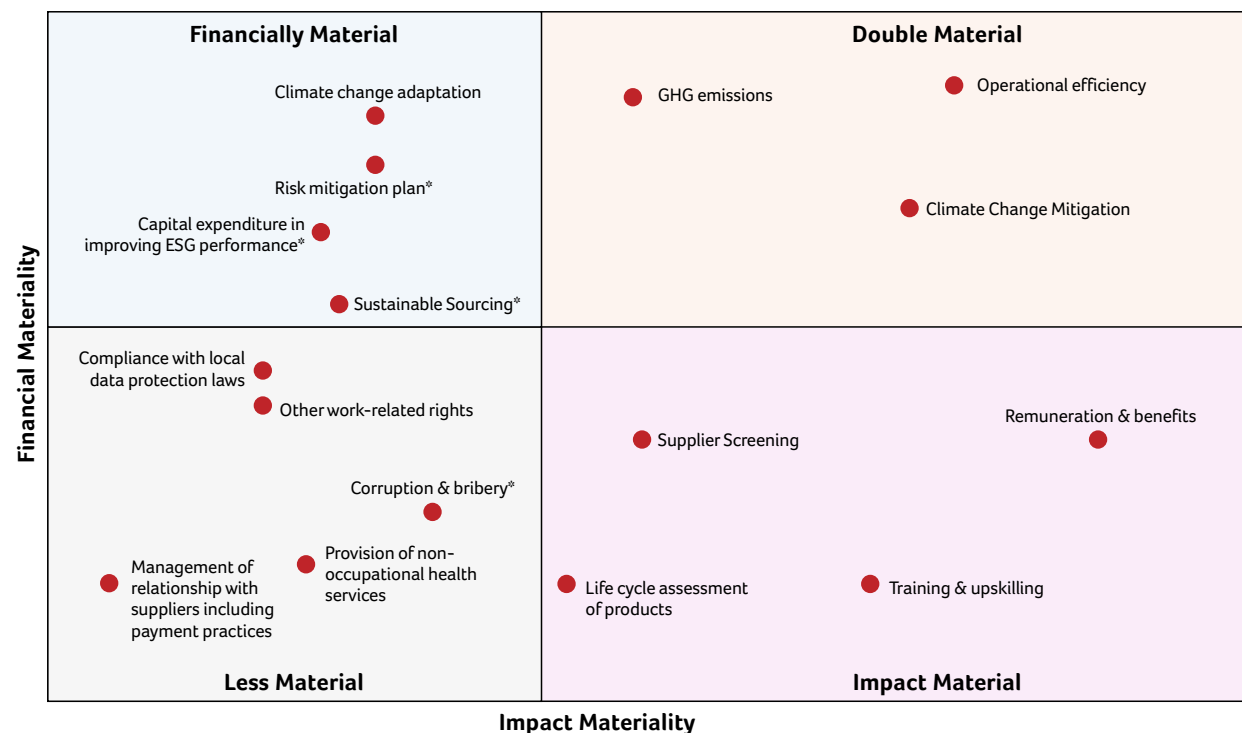


Table 1: Final List of Material Topics

S.No.	Topic	Category
1.	Climate Change Mitigation	Double Material
2.	Operational efficiency	
3.	GHG emissions	
4.	Climate change adaptation	Financially Material
5.	Risk mitigation plan	
6.	Capital expenditure in improving ESG performance	
7.	Sustainable Sourcing	
8.	Supplier Screening	Impact Material
9.	Training & upskilling	
10.	Remuneration & benefits	
11.	Life cycle assessment of products	
12.	Compliance with local data protection laws	Less Material
13.	Other work-related rights	
14.	Corruption & bribery	
15.	Provision of non-occupational health services	
16.	Management of relationship with suppliers including payment practices	

Key Impacts, Risks, and Opportunities:

The following tables list the sustainability-related impacts, risks and opportunities we have identified and assessed as material as a result of our double materiality assessment process. As shown in the matrix above, **sixteen** out of the **forty-nine** sub-topics are material to Flex Films Europa Sp. zo.o.

For each topic, we distinguish whether the impacts, risks and opportunities arise primarily within our **own operations** or extend across our value chain. We also identify whether these impacts are **positive or negative** and specify where relevant whether they are **actual impacts already occurring or potential future impacts**.

ESRS E1- Climate Change

Sub-topic: Climate change mitigation

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact	✓	✓	✓	Short to long term	Actual & Potential	Decarbonization actions are already underway at Flex Films Europa Sp. zo.o such as renewable electricity procurement under third-party agreements, installation of energy-efficient extrusion lines, and process optimization. Product innovations such as Asclepius™ PCR-based films also contribute to emissions reduction across the value chain by lowering dependence on virgin PET. These initiatives collectively support Poland's and the EU's broader decarbonization goals while enhancing client sustainability performance.
Negative Impact		✓	✓	Short to long term	Actual	Despite ongoing efficiency measures, Flex Films Europa Sp. zo.o's operations remain energy-intensive, primarily due to high electricity demand in film production and reliance on upstream PET and PP resin supply chains that are carbon-heavy. Scope 3 emissions from logistics and product end-of-life treatment remain material, especially where local collection and recycling infrastructure are limited.

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Risk		✓	✓	Medium to long term	Potential	Exposure to tightening EU and national carbon regulations (e.g., EU ETS expansion, carbon border adjustment mechanism) may increase operational costs. Volatility in electricity prices and rising customer expectations for low-carbon packaging could affect competitiveness if decarbonization is not accelerated.
Opportunity	✓	✓	✓	Medium to long term	Potential	Expanding renewable power sourcing and scaling circular film solutions such as PCR and biodegradable grades present clear climate and market advantages. Early investment in low-carbon technologies and transparent climate reporting can strengthen brand positioning with global FMCG clients seeking decarbonized packaging value chains.

Sub-topic: Climate change adaptation

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact		✓		Short to long term	Actual	The facility's operational design fully enclosed with controlled production environments offers resilience to extreme weather events. Regular equipment maintenance, temperature and humidity control systems, and preventive electrical infrastructure management indirectly support climate resilience.

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Opportunity		✓		Medium to long term	Potential	Enhancing adaptive capacity through energy management systems, backup power arrangements, and supplier diversification could strengthen operational continuity. Participating in EU or national programs promoting industrial climate resilience may also offer technical and financial support benefits.

Sub-topic: GHG Emissions

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact	✓	✓	✓	Short to long term	Actual	Flex Films Europa Sp. zo.o's operations, while energy-efficient relative to regional standards, still rely on electricity and process heat, leading to residual Scope 1 and 2 emissions. Upstream resin production (PET/PP) and downstream logistics contribute to Scope 3 emissions. End-of-life disposal is limited by local recycling infrastructure, maintaining the value chain's carbon intensity.
Opportunity	✓	✓		Medium to long term	Potential	Regulatory developments, such as EU ETS expansion or carbon border adjustment mechanisms, could increase operational costs. Customers' growing expectations for low-carbon packaging may create market pressure if emissions reductions are not accelerated.

ESRS E5- Circular Economy

Sub-topic: Life cycle assessment of products

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact		✓	✓	Short to medium term	Actual	Flex Films Europa Sp. zo.o conducts LCA for products such as Asclepius™ PCR films, assessing environmental impacts across the value chain. Insights guide material optimization, energy efficiency improvements, and enhanced recycling practices, helping customers reduce packaging-related emissions.
Risk	✓	✓	✓	Short to medium term	Potential	LCA outcomes depend on accurate data from internal processes and material inputs. Incomplete or imprecise data could misrepresent environmental impacts. Misaligned external communication of LCA results may affect credibility with customers or regulators and create reputational or compliance risks
Opportunity	✓	✓	✓	Medium to long term	Potential	Expanding LCA coverage across more products and integrating results into product design and material selection can further reduce carbon footprint and resource intensity. Transparent reporting strengthens client trust and positions UFlex Poland as a leader in sustainable packaging.

Sub-topic: Sustainable sourcing

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact		✓	✓	Short to medium term	Potential	Flex Films Europa Sp. zo.o sources all feedstock internally within the UFlex group, enabling tight control over environmental and quality standards. Use of recycled polymers (PCR) reduces resource intensity and carbon footprint. Downstream, customers could benefit from lower impact packaging solutions, reinforcing circularity across the value chain.
Opportunity		✓	✓	Medium to long term	Potential	Expanding the use of internal recycled feedstock and formalizing ESG criteria in material allocation can further reduce emissions, improve operational resilience, and strengthen sustainability credentials for clients. It positions Flex Films Europa Sp. zo.o as a reliable low-impact packaging partner in the EU market.

Sub-topic: Operational efficiency

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact		✓	✓	Short to medium term	Actual and potential	Continuous improvement initiatives, such as lean manufacturing, process optimization, and reduction of scrap during extrusion, enhance operational efficiency. These measures reduce energy and material consumption, lowering both operational costs and the environmental footprint. Downstream, improved efficiency translates to more consistent product quality for clients.

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Opportunity		✓		Medium to long term	Potential	Further automation, real-time process monitoring, and energy management systems present opportunities to optimize production, reduce emissions, and strengthen competitiveness. Operational efficiency gains can also support entity's broader sustainability and ESG goals, reinforcing its value proposition with environmentally conscious clients.

ESRS S1- Own Workforce

Sub-topic: Training & upskilling

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact		✓		Short to Medium term	Actual	Flex Films Europa Sp. z o.o invests in employee training programs covering technical skills, sustainability awareness, safety practices, and operational excellence. This strengthens workforce capability, improves productivity, and supports adherence to ESG goals.
Risk		✓		Short to Medium term	Potential	If training programs are inconsistent or not aligned with evolving skill requirements, there is a risk of skill gaps, reduced productivity, or decreased employee engagement. Ensuring regular updates and monitoring of training effectiveness mitigates this risk.

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Opportunity		✓		Medium to long term	Potential	Expanding digital learning platforms, sustainability-focused training, and leadership development can enhance employee engagement, retention, and innovation. Upskilled employees also help drive operational efficiency and support UFlex Poland's long-term ESG commitments.

Sub-topic: Remuneration & benefits

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Risk		✓		Short to Medium term	Potential	If remuneration is perceived as uncompetitive or inequitable, it could lead to reduced employee engagement, retention challenges, or reputational impacts. Ensuring transparency and periodic benchmarking mitigates this risk.
Opportunity		✓		Medium to long term	Potential	Strengthening links between ESG performance and remuneration (e.g., sustainability KPIs) could incentivize employees to contribute to UFlex Poland's sustainability goals. Offering flexible benefits or additional wellness allowances may further improve engagement and attract talent.

ESRS G1- Business Conduct

Sub-topic: ESG linked capital allocation

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact		✓	✓	Short to long term	Actual	Flex Films Europa Sp. zo.o strategically invests in ESG-linked initiatives, including renewable electricity procurement, energy-efficient production lines, and PCR-based film development. These investments reduce environmental impacts across the value chain, improve operational efficiency, and deliver more sustainable products to downstream customers.
Risk		✓		Medium to long term	Potential	Delays or underinvestment in ESG-linked projects could limit decarbonization progress, expose the company to regulatory or market pressures, and affect competitiveness with clients increasingly demanding low-carbon packaging.
Opportunity		✓	✓	Medium to long term	Potential	Embedding ESG criteria into capital allocation enables UFlex to access preferential financing, such as sustainability-linked loans or green bonds, while also signaling commitment to ESG leadership. Strategic investments in low-carbon technologies and circular economy initiatives enhance operational efficiency and brand reputation.

Sub-topic: Risk management & Resilience

	Up-stream	Own operations	Down-stream	Time Horizon	Actual/Potential	Description
Positive Impact		✓	✓	Short to medium term	Actual	Flex Films Europa Sp. zo.o has structured risk management framework to identify, assess, and mitigate ESG, operational, and climate-related risks. Proactive monitoring and contingency planning enhance operational resilience and continuity. Downstream customers could benefit from consistent supply and reliable delivery of sustainable packaging solutions.
Risk	✓	✓	✓	Medium to long term	Potential	Potential risks include supply chain disruptions, energy price volatility, and regulatory changes (e.g., EU ETS, Green Claims Directive). Inadequate risk management could lead to production delays, financial exposure, or reputational impacts. Effective governance and monitoring are essential to mitigate these risks.
Opportunity		✓	✓	Medium to long term	Potential	Strengthening resilience through integrated risk management allows UFlex Poland to respond effectively to climate, operational, or ESG-related disruptions. Leveraging risk insights for capital allocation and strategic planning enhances long-term competitiveness and supports sustainable growth.

INTEGRATION WITH STRATEGY & REPORTING

The DMA helps Flex Films Europa Sp. zo.o connect its business goals with today’s sustainability priorities. It translates regulatory requirements, stakeholder expectations, and industry trends into clear actions that guide the company’s long-term strategy. By considering both business impacts and financial risks, the DMA supports better decision-making, risk management, and opportunity capture.

The findings shape Flex Films Europa Sp. zo.o’s ESG roadmap—driving initiatives in decarbonization, resource efficiency, circular economy, and sustainable product innovation, while setting measurable targets and building accountability. Issues such as human rights, fair labor, employee well-being, diversity, and product responsibility are directly linked to strategic priorities.

The DMA also prepares Flex Films Europa Sp. zo.o for new regulations like CSRD and ESRS, strengthens internal capacity, and aligns efforts with global goals such as the UN SDGs. More than a reporting exercise, it is a practical tool that helps Flex Films Europa Sp. zo.o improve performance, build resilience, and earn stakeholder trust while ensuring that growth and sustainability move forward together.

In alignment with ESRS expectations the company’s Sustainability Report provides further disclosure on how these topics are being addressed. This includes references to existing policies, the actions undertaken, and the targets set to advance progress against the identified material topics.



ANNEXURE

Acronyms

This Annex presents all the acronyms found in the DMA report for Flex Films Europa Sp. zo.o Ltd.

CDP	CDP
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CSO	Chief Sustainability Officer
DMA	Double Materiality Assessment
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EFRAG	European Financial Reporting Advisory Group
ESG	Environment, Social, Governance
ESRS	European Sustainability Reporting Standard
FMCG	Fast-Moving Consumer Goods
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
KMPs	Key Managerial Personnel
LCA	Life Cycle Assessment
MLP	Multi-Layered Packaging
MSCI	Morgan Stanley Capital International
PCR	Post -Consumer Recycled
PET	Polyethylene Terephthalate
SASB	Sustainability Accounting Standards Board

