



AJM GROUP

Report – Packaging Material

What is Packaging Material?

Packaging material refers to any material used to cover or protect final goods in preparation for distribution and sale. Most packaging is made from paper, cardboard, plastic, glass, steel, aluminum or a combination of materials. Eco-friendly packaging is packaging that minimizes waste and uses environmentally-friendly or biodegradable materials. Packaging plays a crucial role in protecting manufactured products and perishable items.

The AJM Group is committed to show leadership in sustainability by curbing the use of unnecessary packaging waste to reduce costs, carbon emissions and the demand for raw materials. Our aim is to develop packaging which fulfils its essential functions by selecting the most appropriate materials, format and weight and building in recyclability wherever possible.

This report should be read in conjunction with reports on Reduction and Disposal of Waste, Environment Policy, Reduction of Emissions Report, Renewable Energy and other reports outlining our policies on Sustainability.

What Types of Packaging Exist?

- **Primary packaging** contains goods bought by consumers – from toothpaste tubes to jam jars.
- **Secondary packaging** refers to materials that not in direct contact with the product, but sold to the consumer – for example a box around a toothpaste tube.
- **Tertiary or transit packaging** are the boxes, wooden pallets, boards and plastic wrapping used to deliver large loads to warehouses.



Why Use Packaging?

Modern society relies on the ability to transport products from manufacturer to retailer to customer and packaging makes this possible without damaging the product. It helps keep products safe and clean and avoids the risk of contamination. Often, packaging contains key marketing information allowing us to identify brands and for sellers to attract customers to their products through the design of their packaging.

Operating Principles

The AJM Group is committed to achieving a long-term successful and sustainable business. We will reduce the environmental impact of packaging during its entire product life cycle without compromising the ability of future generations to meet their own needs.

- Optimize the environmental performance of the packed product
- Optimize weight and volume of primary, secondary and transport packaging
- Use maximum possible recycled content
- Consider locally available infrastructure and technology
- Prepare for appropriate disposal

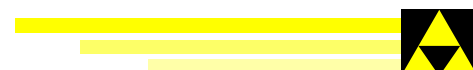
The following rules apply specifically to plastics or coated paper:

- Consider bio-based content for packaging
- Ensure residual products can be easily removed
- Follow all Government rules and regulations regarding plastic packaging

Government Packaging Regulations

The Standards of Weights and Measures Act, 1976 stipulates certain basic rules for interstate trade or commerce commodities in packaged form intended to be sold or distributed. They are as follows:

- Clearly identify the commodity and sale price of the package
- State net quantity, in terms of the standard unit of weight or measure, of the commodity in the package



- Include the accurate number of commodities contained in the package, if multiple units

The AJM Group is fully compliant with the Standards Weights and Measures Act where applicable to its products.

Acceptable Materials

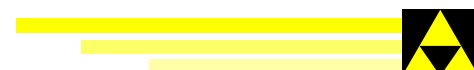
The AJM Group has developed a few guidelines to help management and staff have a clear and precise understanding of what materials and packaging are acceptable to be used by the Group Companies.

All Packaging Must:

- **Be fit-for-purpose:** Packaging should be designed to meet market and consumer needs, while minimizing environmental impact
- **Be resource efficient:** Packaging should be designed to minimize the use of materials and resources without compromising on product quality
- **Be made from low-impact materials:** Where possible packaging should be designed to minimize the environmental and social impact of materials and components
- **Include information about disposal:** This includes the relevant recycling symbol for plastics
- **Be reused where possible:** Portions of tertiary package can be reusable (without cleaning) as they do not come in to direct contact with the product and may be structurally sound

Any Plastic Packaging Must:

- Use only one material or materials that are compatible in the recycling process
- Use unpigmented polymers where possible and avoid black pigmentation
- Incorporate recycled content wherever possible
- Avoid pressure-sensitive adhesives that cover the entire back of the label as they are difficult to remove and contaminate the recycled polymer



The AJM Group does not use any plastic packaging material for our products. However, in case this is required by clients or suppliers, we will conform to the above guidelines.

All Cardboard Packaging Must:

- Aspire to contain a high percentage of post-consumer recycled content
- Must not use wax, laminate, or any other coating that would inhibit end of life recycling
- Minimize or avoid the use of non-paper/cardboard components (e.g. plastic windows or film)
- Minimize and avoid the use of heavy-metal based inks
- Ensure any additional labels are made of a paper-based material

Corporate Pledge

We shall use eco-friendly packaging material wherever possible.

Company Adherence

Management is ultimately responsible for ensuring that the AJM Group operates in accordance with this policy, implements its principles and adopts appropriate measures and processes to achieve our sustainability targets.

Employees and Management are tasked with achieving improvements in packaging sustainability by:

- Compliance with all relevant Health, Safety, Environment and Transport legislation and standards
- Avoidance of the use of materials that may adversely impact on quality, health, safety and environment during the entire product life cycle, including disposal
- Identifying, and favoring, wherever practical, packaging suppliers who are working to improve the sustainability of their operations
- Optimizing the use of renewable or recycled materials and processes



- Reducing packaging and waste by design and material choice
- Promotion of concentrated products and compact packaging which contributes to efficiencies in transport and distribution
- Correctly labelling and packaging of products that permit maximum shelf life and responsible use of contents
- Maintaining a two-way dialogue with our clients to ensure the development of their products supports our packaging
- Regular assessment of opportunities for improvements and changes to packaging

Assessing Sustainable Packaging

Employees should consider the following questions to determine whether packaging conforms to the AJM Group's policy on packaging material:

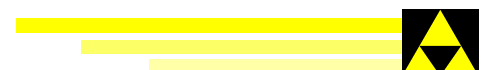
- Can the size, thickness or weight of the material be reduced?
- Is it made from recycled materials (particularly relevant for plastics and carton)?
- Does it protect the product as required?
- Is it easy to access?
- Can it be designed for reuse?

Employees should also consider the following parameters while designing the packaging process and implement the following measures where possible:

- Packaging-free solutions
- Removal of problematic plastics
- Simplification of materials and packaging structures
- Plastic-free packaging
- More recycled content
- Use of bio-based plastics

Legal Compliance and Reporting Violations

The **Standards of Weights and Measures Act, 1976 (SWMA)** outlines the regulations governing packaging for industries. According to the Act, if any person packs, distributes, stores, delivers or sells commodities, which does not meet the requirements of the Act and the **Packaged Commodities Rules**, they can be punished by a fine which may extend up to ₹5000. If the offence is repeated, the penalty can include imprisonment of up to five years.



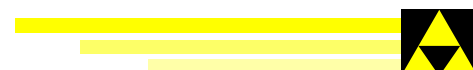
Any violations will be taken seriously. AJM Group employees must strictly adhere to all internal rules and regulations surrounding packaging. Management is responsible to ensure government compliance in all aspects.

AJM Group Business Ethics Policy: Section Related to Environmentally-Friendly Packaging

We strive to adopt sustainable, environmentally-conscious processes and procedures in our operations wherever possible. We aim to reduce our carbon emissions, water usage, and waste through enhancing the efficiency and performance of our equipment and processes.

AJM Group Green Policy: Section Related to Environmentally-Friendly Packaging

The AJM Group will be conscious of our usage of natural resources, conserving resources wherever possible. We will minimize resource waste and use reusable or recyclable packaging materials. We will minimize our use of non-renewable energy sources and explore renewable energy usage to minimize our impact on the environment. We will seek to implement environmentally friendly practices in all aspects of our business and operation.



Key Takeaways

Our aim is to develop packaging which fulfils its essential functions by selecting the most appropriate materials, format and weight and building in recyclability wherever possible.

AJM Management and Employees are tasked with building in sustainability to all packaging processes and using only acceptable materials.

All violations must be reported to your direct reporting manager.

