



Business model

The business model of the Capital Group has been adjusted to the current market situation, however, in the opinion of the Management Board it is not going to change significantly in the event of the possible climate changes.

This results from the fact that the Capital Group companies operate in areas which support the climate protection activities and circular economy. Both the Extruded Products Segment and the Aluminium Systems Segment found their offers on modern solutions based on aluminium, support carbon footprint reduction (reduction of emission by way of reducing the weight of vehicles and improving energy efficiency of buildings), and also work for the increased waste recovery and re-use. As regards the Flexible Packaging Segment, thanks to the reduction of packaging weight and simplification of their structure, the recycling capacity is improved, which supports the strive for reducing the quantity of solid pollutants in the form of plastics and hardly-recyclable laminates.



This means that the strive for transformation of the European economy to the zero-emission model may become a chance for development of the particular companies of the Capital Group. The opportunity results from the possible higher demand for aluminium elements in the automotive and transport sector (Extruded Products Segment) or architectural solutions (façade, door-and-window, and roller shutter systems), which support the energy efficiency of buildings.

Considering the data published by the European Commission regarding the construction sector, stating that buildings are responsible for about 40% of energy consumption and 36% of CO₂ emission in the European Union, and that roughly 35% of buildings in the EU are over 50 years old and nearly 75% of buildings are not energy efficient.

it may be assumed that the idea of ecological building and the growing number of the existing buildings refurbishment process may potentially lead to significant energy savings, possibly **reducing the total energy consumption in the EU by 5-6% and CO2 emission by ca. 5%.**

New ecological buildings and increased renovation of the existing buildings will have a significant impact on human health and well-being.

We have observed demand on environment- and user-friendly buildings, which are energy efficient, passive, durable and resistant to variable climate conditions – strong winds, intensive rainfalls, strong sunlight or droughts, and these factors represent a potential for the Aluminium Systems Segment.

Another area is the production of flexible packaging, which is now undergoing very important market changes resulting from the pressure on environmental protection, costs savings, food safety, as well as legislative changes. The strive to lower the impact on climate change results in the necessity of introducing new forms of laminates to the market, i.e. mono-structures characterised with lower weight and higher homogeneity. Packaging made of polypropylene or polyethylene films developed by Alupol Packaging are fit for recycling and fulfil the basic assumption of circular economy. Despite the observed pressure on plastic packaging, the position of such type of packaging is not threatened, which will continue at least in the coming few years owing to the fact that plastic-film-based packaging protect the packed food as no other packaging, extending the food shelf-life. That creates an opportunity for further development of the Flexible Packaging Segment.