Global Environmental Policy

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Contents

INTRODUCTION

deSter, a gategroup member, is a leading provider of sustainable & innovative food packaging and service ware concepts to the food service and travel industry. By combining over 40 years of industry experience with a passion for design and service trends, we deliver bespoke, customer-centric, and impactful innovations. As a global company with more than 1'000 employees spread across multiple countries and operating on all continents, we believe good business should be good for people and gentle on the environment. Therefore, throughout all our operations, sustainability is key. Our general mission is to operate in a socially, environmentally, and economically sustainable manner. This is translated into our ESG strategy where we focus on 3 main areas: People, Planet and Product. With People, we care for our employees, our customers, stakeholders in our supply chain and the community around us. With Planet we want to lower the stress we put on the environment to the absolute minimum. With Product we aim to develop, produce, and sell products according to the principles of the circular economy, and so reducing the impact on the environment to an absolute minimum.

Purpose of this Policy

The purpose of this Global Environmental Policy is to set forth deSter's commitments to protection and sustainability of the environment. This document describes our global ambitions, approaches, and targets concerning greenhouse emissions, energy consumption, waste management, water management, chemicals, responsible resource use, environmental impact during the use of our products, consumer health and safety, product circularity, pollution, and biodiversity.

Applicability

This global environmental policy applies to all employees and directors of the deSter, including contract and temporary employees, and agency personnel who work at the deSter premises or under the direction of the deSter (all collectively referred to as "employees"). Our employees are regularly informed and trained on this policy and related developments.

Practical Implementation

This policy will be revised yearly and updated if needed. Revisions could happen earlier if preferable. The next planned revision is January 2024. The Environmental Footprint Manager is responsible for the update of the policy in general and the commitments of this policy are also publicly available on our website www.dester.com. This general environmental policy contains different specific policies. Every separate part has an owner who is responsible for this policy and its yearly revision.

Definitions and Abbreviations

deSter has three **manufacturing locations**:

- Hoogstraten, Belgium (headquarters) = HGS
- Prachinburi, Thailand = PRB
- Lima, Ohio, USA = LIM

deSter has also multiple **offices**:

- Frankfurt, Germany
- Amsterdam, Netherlands
- Atlanta, Georgia, USA
- Bangkok, Thailand
- Dubai, United Arab Emirates
- Hong Kong, S.A.R. of the PRC
- Shanghai, PRC

Facilities refer in this document to both manufacturing locations and offices of deSter.

Environmental – Social – Governance = **ESG** = the framework deSter uses to integrate sustainability into our organization's strategy. The goal is to expand our objectives and manage risks related to social and environmental topics. Our ESG framework consists of three focus areas: people (taking care of our employees, customers, suppliers, and communities surrounding us), planet (strive for net zero carbon and reduce waste) and product (focus on circular economy and responsible resource use).

Net zero carbon = reduce carbon emissions as much as possible and offset any lasting carbon emissions in projects that take this amount of greenhouse gasses out the atmosphere. So, net zero is reached when the amount of carbon emissions are at a minimum level and no more is added than the amount taken away.

GHG Green House Gas protocol = **GHG protocol** = a partnership between World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) that establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (**GHG**) emissions from private and public sector operations, value chains and mitigation actions.[1]

Science Based Targets initiative = **SBTi** = global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The initiative is a collaboration between CDP (Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and is one of the We Mean Business Coalition commitments.[2]

Scope 1 emissions = direct GHG emissions from operations that are owned or controlled by deSter, like fuel combustion and the use of refrigerants on site.[3]

Scope 2 emissions = GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by deSter.[3]

Scope 3 emissions = all indirect GHG emissions (not included in scope 2) that occur in the value chain of the deSter, including both upstream and downstream emissions.[3]

Net zero waste = reduce, reuse, recycle, compost, or recover solid waste streams (except for hazardous and medical waste) to convert them to valuable resources with zero solid waste sent to landfills or burning and with no releases to land, water, or air that threaten the environment or human health.

REACH = Regulation for Registration, Evaluation, Authorization and Restriction of Chemicals.[4]

Forest Stewardship Council = **FSC** = The Forest Stewardship Council sets standards for responsible forest management. It is a voluntary program that uses the power of the marketplace to protect forests for future generations. Their standards include protection of water quality, prevent loss of natural forest, prohibit harvest of rare old-growth forest, and prohibit highly hazardous chemicals.[5]

[1] About Us | Greenhouse Gas Protocol (ghgprotocol.org)
[2] About Us - Science Based Targets (sciencebasedtargets.org/)
[3] Corporate Value Chain (Scope 3) Standard | Greenhouse Gas Protocol (ghgprotocol.org)
[4] REACH — Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals | Safety and health at work EU-OSHA (europa.eu)
[5] Home (fsc.org)

Nature positive = term used to describe a world where nature – species and ecosystems - is being restored and is regenerating rather than declining.[6]

1. GREENHOUSE GAS REDUCTIONS — Owner: Environmental Footprint Manager

At deSter we develop, produce, source, and deliver products worldwide. We are conscious that these operations also generate greenhouse emissions and are committed to reduce them both onsite and throughout our entire value chain.

To reduce our direct and indirect greenhouse gas emissions, our approach is:

- Our reduction targets are aligned to the 1.5°C warming scenario, according to the **Science Based Targets initiative**. Our scope 1, 2 and 3 emissions will be calculated according to the **Green House Gas (GHG) protocol**. 2019 is our base line year and the emissions are calculated yearly from 2019 on.
- In the coming years, we will focus on reducing the **footprint of scope 1,2 and 3.**
- We **manufacture** resourceful and want to invest in local manufacturing locations enabling us to produce closer to our core markets, which in turn makes for a significant reduction in transportation and CO2 emission.

We want to review our entire **supply chain** to lower emissions during the different upstream and downstream activities we have and use our influence on our supply chain to create less carbon emission throughout. **Our GHG reduction targets are:**

- 2023: commit to SBTi and calculate our scope 3 footprint in line with the GHG protocol.
- 2024: get our science-based reduction targets validated by SBTi.
- 2025: 25% reduction of carbon footprint in all operations (scope 1,2 and 3), compared to 2019.
- 2030: 75% carbon footprint reduction in scope 3, compared to 2019 and achieve net zero carbon in our scope 1 and 2 emissions.
- 2050: be net zero carbon in all operations (scope 1, 2 and 3).

2. ENERGY CONSUMPTION — Owner: Environmental Footprint Manager

We aim to minimize our energy consumption on site, which means we want to lower our fuel and electricity use. This is also related to our GHG reduction goals because fuel and electricity usage are part of our scope 1 and 2 emissions.

Our approach to lower our energy use, related emissions and be less dependent on fossil fuels:

- Increase energy efficiency in our operations.
- Focus on electrification.
- Switch to green electricity.

Our Energy consumption targets:

- 2025: production location specific targets
    - Hoogstraten: 6% reduction of electricity compared to 2019, relative to the production revenue.

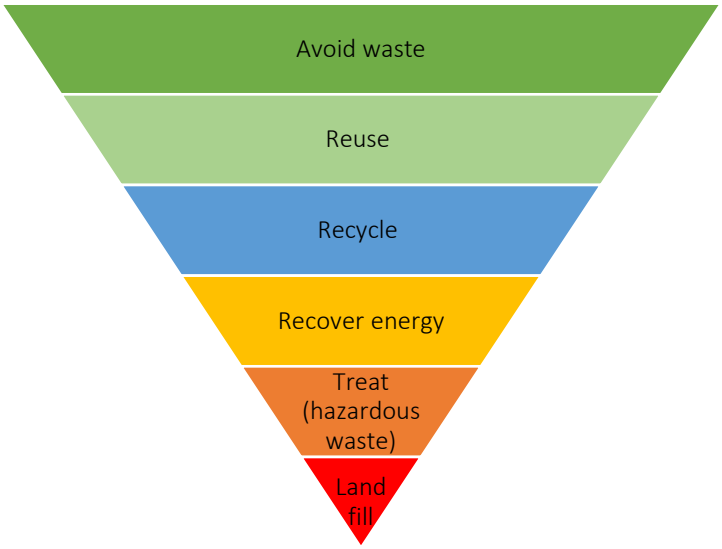
[6] Nature-Positive Hub | Cambridge Institute for Sustainability Leadership

- Prachinburi: reduction of 300 000 kWh electricity used, compared to 2019, relative to the production revenue.
- Lima: 10% reduction of electricity relative to production revenue, compared to 2021.

- 2030: 100% of our electricity comes from renewable sources.
- 2030: be Net Zero carbon in the energy we use (scope 1 and 2), which means we lower our fuel and electricity use, choose green alternatives, and offset any remaining GHG emissions.

3. WASTE MANAGEMENT — Owner: Coordinator Environmental Health & Safety

This waste management policy focuses on the waste management of our facilities; the waste created by the products we sell is covered in our Product circularity policy (p. 12-13). deSter's internal waste management approach is based on the **waste hierarchy** of The European Union's Waste Framework Directive (1975/442/EEC) (see graph 1).



Graph 1: waste management hierarchy

We first focus on the waste from our manufacturing locations. Based on this framework, our approach consists of:

- The waste we produce in our facilities must be minimized and should be reused and recycled as much as possible.
- The amount of waste that remains, should be incinerated with energy recovery, and should thus not end up as landfill.
- We adhere to local legal requirements and only use landfill if the local legislation states it must. Yet our goal is to strive to decrease landfill and challenge the status quo concerning landfilling where needed.
- Hazardous waste must be avoided in the first place, but the remaining should be collected and treated properly.

We strive to sort out our waste as much as possible and create different streams that can be collected separately, so these clean streams are handled in the most appropriate way by the waste treatment facility.

Our waste management targets:

- 2025: production location specific targets
  - Hoogstraten: 10% waste reduction (in weight) compared to 2019, relative to the production revenue.
  - Prachinburi: 5% reduction of total waste (in weight) compared to 2019, relative to the production revenue.
  - Lima: 5% waste reduction (in weight) compared to 2021, relative to the production revenue. No hazardous waste goes to landfill.
- 2030: production location specific targets
  - Hoogstraten: 15% waste reduction (in weight) compared to 2019, relative to the production revenue.
  - Prachinburi: Only hazardous waste categorized by the Thai DIW and PH should go to landfill.
  - Lima: 10% reduction of waste going to landfill, compared to 2021, relative to the production revenue.
- 2050: Net Zero Waste in all our own operations.

4. WATER MANAGEMENT Owner: Coordinator Environmental Health & Safety

deSter commits to sustainable water management of the water we use in our facilities. Water is a valuable commodity that should be treated as such. Concerning water management, we focus on our production locations. What we want to do, is:

- We want to minimize our water use through water efficiency initiatives and internal closed loop approaches.
- Our freshwater usage should be minimized and replaced with rainwater if possible.
- We strive to not release any contaminated wastewater in the environment.
- Water efficiency is taken up in the procurement decisions when buying new equipment and machines.
- For the implementation of new production lines that need water, preferably has a closed loop system for water usage.

Our water management targets:

- 2025: reach production location specific targets:
  - Hoogstraten:
    - Reduce water usage in HGS with 5000m³, compared to 2019 water usage and relative to the production revenue.
    - Reduce the suspended solids in the wastewater with 15%, compared to 2019 and relative to the production revenue.
    - Reduce inorganic chlorides in the wastewater with 15%, compared to 2019 and relative to the production revenue.
    - Reduce the nitrates and nitrites in the wastewater with 10%, compared to 2019 and relative to the production revenue.

- Prachinburi: reduction of 10% of water consumption compared to 2019 and relative to the production revenue.
- Lima: currently not in scope due to low water usage.

5. CHEMICALS — Owner: Coordinator Environmental Health & Safety

deSter commits to limit the impact on the environment and human health of its chemicals used throughout its own operations. Our approach consists of:

- We always strive to lower the use of chemicals, limit the use of harmful substances by strict screening the type of chemicals used, phase out certain chemicals or replace chemicals with a less or non-harmful alternative and apply the appropriate waste management principles (ref 3. Waste management policy) at the end of its life. We keep an up-to-date quality dataset of all chemicals (such as lubricants and cleaning agents). All materials we buy to make our products, need to hold a safety data sheets (SDS) and must be aligned with the food safety regulations. These documents are screened by the quality department to guarantee compliance.
- All materials we source and use in Europe, need to comply with the REACH requirements.
- All our products come with specification sheets (spec Sheets) and a Declaration of Compliance.

Our Chemical policy targets are:

- We strive to choose the least harmful products for our production processes. We follow local legal requirements concerning chemicals and harmful products.
- Chemicals are always labeled clearly.
- Chemicals are stored separately in protective areas to prevent the potential exposure to employees and the environment.
- “Protective practices and equipment” are available and in common use to minimize the potential for any employee in case of exposure to hazardous chemicals.
- Chemical waste is always sorted out and treated by an external accredited waste treater.

6. RESPONSIBLE RESOURCE USE — Owner: Director Research & Development

To create deSter products, some materials need to be extracted directly from nature. We want to actively work on ensuring that the materials we need for manufacturing our products are sourced with a limited impact on biodiversity, climate change, and society.

We look at the impact of how they are extracted, created, transported and their environmental impact during production. The materials we use are selected in line with our product circularity goals, considering end-of-life (see Product Circularity policy).

In this policy we focus on the most used and most important materials. A framework for other types of materials and products will be defined at a later stage.

The materials in scope of this policy are:

- Plastics: use for the manufacturing of plastic packaging
- Fiber: used for cardboard and paper packaging

Our commitment

- We strive to limit the use of resources in the first place (see 9. Product Circularity policy and 7. Environmental impact of use of products).
- Materials are recyclable or compostable, which is in line with our end-of-life Product Circularity commitments.
- Where possible we strive to use recycled materials and materials based on renewable resources.
- We avoid illegal extraction of resources, such as illegal forestry.
- To integrate the greenhouse gas impact of our materials into our raw material sourcing decision making process.
- To integrate the transport distance, between where materials are sourced and our factories, into our raw material sourcing decision making process.
- We ensure that our materials meet all statutory environmental and safety requirements under European or national law.
- We ensure our sourced products are ethically produced, which is covered through our Supplier Code of Conduct, where we focus on the UN guiding principles and the fundamental principles of the ILO (International Labour Organization).

Plastics responsible resource use

The plastic materials sourced are currently used for single use plastic packaging and for reusable plastic packaging. However, in line with our product circularity goals we are phasing out single use plastic packaging and transitioning them to reusable or organic compostable packaging. Single use plastic packaging will in the future only be used for long preservation of food with a guaranteed recycling at the end-of-life. Hence, moving forward, we will focus primarily on **plastics for reusable items**.

Our approach on responsible resource use of **plastics**:

- Strive to use materials with the lowest CO2 impact, viewed from a lifecycle perspective (creation, transport, production, use (e.g. lightweighting) and end-of-life).
- Materials should fit our Product Circularity goals (see point 9) by being recyclable or organically compostable.
- Use recycled materials where possible.
- Try to decouple plastics from oil and use renewable resources when financially reasonable and where the environmental benefits are more favorable compared to its fossil-based counterpart.
- Phase out polystyrene by end 2025: Linked to the phase out our single use plastics, we phase out polystyrene (PS) materials due to the lack of efficient recycling technologies available for this group of polymers and due to their emission of Volatile Organic Compounds
- Be in line with legislations (e.g. EU SUPD, PPW, environment, safety).

Next steps

As the market, alternative materials and legislations are changing rapidly, we follow the latest developments and revise this policy accordingly, at least on a yearly basis.

During 2023 specific targets will be worked out for this policy.

Fiber, paper, and cardboard responsible resource use

The type of paper, fiber and cardboard used for our products can be broken down in the following categories based on the pulp they are made from:

Category	Sourcing priority	Subcategory	Quality		Environmental impact
Recycled fiber	1	/	Medium	Less white, moisture sensitive, cannot be used for food contact	Low (no new fibers harvested)
Virgin Fiber	2	By-product fiber	Medium	Less strong, often needs to be mixed longer virgin fibers	Medium
	3	Mechanical Fiber	High	Whiter, more moisture resistant, can be used for food contact	High
	4	Chemical Fiber	Highest		Highest

Our approach to increase sustainable sourcing of paper, fiber, and cardboard:

- Utilize Recycled fiber as a standard and only move to higher quality Virgin fiber when it is required (for example, food contact or ovenable applications). This is promoted as such towards our customers.
- In case Virgin fiber needs to be offered:
    - The preferred solution, in case available, is to use virgin fibers from by-product or waste streams. These fibers are often less long and need to be mixed with longer virgin fibers.
    - Secondly, the aim is to always offer Virgin fibers as **FSC certified**, to assure that the fibers are being harvested according to the highest standards.
    - If FSC is not possible, we aim to source the Virgin fibers from EU, as they generally comply with the **EUTR** (European timber regulation) that ensures no illegal forestry. When sourcing outside EU, we actively work together with our suppliers to comply with the EUTR or search for suppliers that comply with the EUTR. In case the EUTR compliance is not yet in place we require compliance with no illegal forestry.

Our targets on sustainable sourcing of paper, fiber, and cardboard:

2023:

- Implement our sustainable sourcing approach and communicate this clearly to our market.
- Create transparency on the type of boards and fibers used and their source.
- Increase our current FSC certified sourced materials from all fiber-based articles from 8.5% to 15%.
  In order to achieve this:
    - New training to be given to the organization on the changes on FSC.
    - Renewal of our current FSC certification of all fiber processing factories.
    - Integrate FSC as standard in our product proposals.

7. ENVIRONMENTAL IMPACT FROM USE OF PRODUCTS Owner: Category Directors

The products we sell have an impact on the environment during their use. We want to limit this impact by taking the environmental strains of our products into account when developing them. Most of our products are designed in-house and we follow the latest technological developments to have safe, functional, durable, and ergonomically well-designed products. They should help to save weight and space, and make work processes simpler, smoother and faster.

Our approach to limit the environmental impact from use of products:

- We strive to find the perfect balance between the **functionality** of a product and being as **lightweight** as possible. Lightweight products need less material, create less emissions during their transportation, while the functionality and quality of the products ensures a long lifetime and a good end-consumer experience.
- For our **reusable items**, we look for the most **durable option** by optimizing the design and select the right material to have a maximum amount of uses out of one item. Therefore, we analyze the lifecycle of launched products wherever we can to further improve them.
- We optimize the **stacking height** of our products to limit secondary packaging and to lower the transport volume.
- **No release of harmful substances** to the environment or the consumer during use of the product. We ensure that products meet all statutory safety requirements under European or national law (see further detail on health and safety of our products in 8. Consumer Health and Safety Policy).
- Our products are developed to protect their valuable content (food, beverages, cosmetics,…) and by making sure they do this well, we strive to **limit waste** of food, beverages, cosmetics,…

These approaches are already embedded in our product development approach for many years. In order to guarantee this, we work together with everyone involved such us caterers, crews, restaurant owners, product experts, engineers, our manufacturing and supply chain. In this way, we can ensure that our designs are optimized right down to the finest detail before they go into production.

8. CONSUMER HEALTH AND SAFETY Owner: Legal Department

Our aim is to actively promote responsibility and concern for the safety of our consumers, our staff, and the general public, and more specifically to:

- Only place products on the market which are safe and thus ensure that products meet all statutory safety requirements under European or national law.
- Inform consumers of any risks associated with the products we supply.
- Continually assess products, packaging, labelling, ingredients, adverse events, and complaints to ensure the health and safety of consumers, staff, and the general public.
- Apply consistent consumer safety standards for company operations and products across all regions.
- Make sure any product present on the market can be traced, so it can be removed in case of any risks to the consumers, staff, and the general public.

- We follow the guidelines of Good Manufacturing Practice (GMP) (described in the Regulation (EU) No 2023/2006) in all our manufacturing facilities, by working according to the BRCGS norms for packaging materials and food safety.

We encourage **our employees** to speak up and report about any Consumer Health and Safety concerns. They can do this by:

- Speaking with their immediate supervisor or Human Resources representative
- Contacting a member of gategroup's Legal team
- Contacting the Speak Up Line (gategroup's confidential independent whistleblower service)

In case an **end-user** of our products might experience any concerns or non-compliance, they can speak up to the distributor of our products who in return reports the concern or non-compliance to deSter, (deSter is not selling products directly to end-users). Any complaint is taken seriously and is supported by a strict Quality Complaint Process. We investigate thoroughly, fairly, confidentially, and take action as necessary and appropriate.

Targets on Consumer Health and Safety

- **2023:** We aim to not have a consumer complaint rate above 0.2 per 1000 production hours.
- **2023**: All new fiber-based products launches are PFAS free (see more details in the Addendum of this document).
- **By end 2024:** Remove all added fluorinated (PFAS) compounds from all fiber-based packaging materials globally (more details in the Addendum of this document).

9. PRODUCT CIRCULARITY — Owner: Director Sustainability

We strive to limit the impact our products have on the environment and more particularly regarding the impact by the end-of-life. Our Product Circularity Vision covers all the products we sell. However, it has been most detailed defined for all our food packaging and food serving concepts as these make up the largest number of products in our portfolio and have the biggest impact. A more detailed policy for smaller product groups will be defined at a later stage.

Our **Product Circularity Vision** follows the new plastics economy movement (Ellen MacArthur Foundation) as well as the European Union Directive on Single-Use Plastic and the European Union packaging and packaging waste directive (PPWD). This vision is about moving from a linear economy to a circular one and avoiding waste of our sold products in the first place. Our dedicated Research and Development team and our deStudio design team focuses on three pillars following our **butterfly strategy** (graph 2):

1. **Eliminate and reduce**. Together with our customers we balance customer experience and sustainability by challenging whether an item is absolutely necessary and if the number of items can be reduced. Next to that we always strive to limit the amount of material needed.
2. **Reusable items for (closed loop) recycling.** Replace single use items with reusable products that can be brought in a closed loop recycling scheme. This entails the development of reusable products and systems that support the use of reusables and the development of closed loop recycling schemes. Preferably made from recycled or renewable materials.

3. **Single use Plastic free items.** In case reusable items are not possible yet, we aim using single use plastic free items for organic composting and recycling. Preferably made from recycled or renewable materials. By organic composting, the resources return to soil as nutrition for something new. By recycling, the material is recovered and used again.

Single use plastic packaging will only be used where it makes sense and so if all the following conditions are met:

- when reusables are not possible (yet)
- when they ensure a long preservation of food
- when they are made of recyclable materials
- and where it is guaranteed they do not end up in nature.

Furthermore, we actively **promote environmentally friendly products or services through:**

- Phase out of single use plastics, by which we do not offer them anymore to our customers.
- Not only offer a reusable product, but also actively work on the underlying system and technologies to ensure the implementation of a new reusable product (e.g. washing systems, leasing models, equipment management systems, RFID tracking…).
- Actively work with and support our customers in bringing products in a closed loop environment. We support in how products need to be collected and brought back to one of our manufacturing locations where we use them to reproduce the same type of product.
- We keep our customers up to date about upcoming legislation regarding the ban of certain products and actively work on suitable alternative products. Additionally, all manufactured products of deSter are labeled on the individual items with the corresponding recycling code, so the end-users can dispose of the items in the appropriate way.

Graph 2: butterfly strategy deSter

Targets on circularity of our products:

- Since 2020, we only launch new products that are reusable, compostable, or recyclable.
- 2025:

- All our products are reusable or compostable, and recyclable. We therefore also actively phase out unnecessary single use plastic products by eliminating them or replacing them with reusables or compostables.
  Remark: only for products designed to guarantee long preservation of food and to be used in a guaranteed recycling scheme, Single Use Plastic packaging can be used in case reusable packaging is not an option (yet).
- We only use responsible resources.

- 2030: 100% of our products create zero waste. We only sell the products with a guaranteed circular end of life scenario.

10. POLLUTION Owner: Coordinator Environmental Health and Safety

As a company, we need to be aware of the pollution we create. We want to reduce the pollution caused during the production process and decrease pollution coming from the end-of-life treatment of our products.

Air, land, water, and litter are most relevant

Not all types of pollution apply to deSter. These types are not in the scope of our Pollution policy:

- Concerning **sound pollution**, we comply with the local requirements. In the production location of Hoogstraten a risk analysis including noise and vibration is carried out every time a new line is introduced or put into operation. In this way we soundproofed machines and bought new ones that produce sound below 85db. We want to extend this procedure to all our production locations.
- Furthermore, since we do not work with radioactive products, **radioactive contamination** is not in our scope.
- The temperature of the discharged rainwater to the river nearby the production site in Hoogstraten, does not have a deviant temperature when measured. Water usage is Lima and Prachinburi is not discharged into a natural body of water. For these reasons, we do not focus on **thermal pollution.**
- Another type is **light pollution**. We turn off lights in the offices to reduce light pollution. Lights in and around the manufacturing facilities stay on for safety reasons of the working staff.

For deSter**, air, land, water, and litter pollution** are the most important forms to consider, and targets should be set on these types of pollution. These types are discussed below, in different stages where pollution may occur.

Manufacturing pollution

The pollution we cause during the **manufacturing** process should be contained.

Our manufacturing anti-pollution approach:

- Air pollution: By lowering our CO2 footprint and process emissions, use less fossil-based energy, reduce the amount of waste and work on achieving net zero waste as soon as possible.

- Land pollution: We have a specific procedure in place in case of local pollution emergencies (like oil spills) in Hoogstraten and Prachinburi. In 2023, we want to implement a similar procedure in Lima.
- Land and air pollution: in the production location of Hoogstraten, a risk analysis including visual exposure of dust is carried out every time a new line is introduced or put into operation. From that risk assessment, we can take needed measures to contain dust and particles pollution in our manufacturing process. We want to extend this risk analysis procedure to all production locations of deSter.
- Water pollution: lowering our water use and ensuring the discharged water is not polluted.
- Land and litter pollution: decreasing our waste and sorting it properly, so it can be treated accordingly and not end up in the environment.

Product pollution

Also important is to consider the potential pollution **caused by the products** we manufacture. Starting from the materials we source (see 6. Responsible Resource Use), our product design, focusing on reusable or compostable products, until looking into closed loop recycling practices (see 7. Environmental Impact from Use of Products and 9. Product Circularity). The biggest reduction in (litter, land, and sea) pollution can be achieved by focusing on our product circularity goals (see 9. Product Circularity). By this, we avoid products ending up as waste and reduce their negative impact on the environment. Furthermore, we comply with European Union directives and legislations on single-use plastics and packaging and packaging waste, and we comply with the REACH requirements.

Our manufacturing and product anti-pollution targets:

- Air pollution
    - 2025: 25% reduction of GHG footprint in all operations (scope 1,2 and 3), compared to 2019.
    - 2030: 75% GHG footprint reduction in scope 3, compared to 2019 and be Net zero carbon in our scope 1 and 2.
    - 2050: be net zero carbon in all operations.
- Litter, land and water pollution
    - 2023: Lima: implement a local pollution emergencies procedure.
    - 2025: all products are reusable, recyclable, or compostable and we only work with responsible resources and sustainable materials
    - 2025: production location specific targets
        - Hoogstraten:
            - 10% waste reduction (in weight) compared to 2019, relative to the production revenue.
            - Lower our VOCs emitted by 40%, compared to 2019 and relative to the production revenue.
            - Reduce NOx emissions by 50%, compared to 2019 and relative to the production revenue.

- Reduce the SOx emissions with 50%, compared to 2019 and relative to the production revenue.
- Reduce the suspended solids in the wastewater with 15%, compared to 2019 and relative to the production revenue.
- Reduce inorganic chlorides in the wastewater with 15%, compared to 2019 and relative to the production revenue.
- Reduce the nitrates and nitrites in the wastewater with 10%, compared to 2019 and relative to the production revenue.

  - Prachinburi: 5% reduction of total waste (in weight) compared to 2019, relative to the production revenue.
  - Lima 5% waste reduction (in weight) compared to 2021, relative to the production revenue. No hazardous waste goes to landfill.

- 2030: 100% of products create net zero waste. Implement the procedure of a risk analysis of a new machine or a new line followed in Hoogstaten, to the other production locations.
- 2030: production location specific targets
  - Hoogstraten: 15% waste reduction (in weight) compared to 2019, relative to the production revenue.
  - Prachinburi: Only hazardous waste categorized by the Thai DIW and PH should go to landfill.
  - Lima: 10% reduction of waste going to landfill, compared to 2021, relative to the production revenue.
- 2050: Net zero waste in all our own operations.

Plastic pollution prevention – local communities

Next to our own operations and the products we sell, we want to avoid the impact of plastic pollution in general, around the globe. To do so, we want to reach out to the **local communities** (like schools, organizations…) surrounding the sites where we operate, to work on preventive (education, technologies…) and waste collection actions that reduce plastic pollution and improve the lives of local communities facing social and health impacts from plastic pollution.

Our targets on Plastic pollution prevention

By end 2023

- 100 hours pro bono work
- 1000 hours volunteering work
- 1000 people educated on avoiding plastic pollution
- 10.000 kg plastic waste collected
- 100.000 euro invested in innovative preventive solutions.

11. BIODIVERSITY — Owner: Environmental Footprint Manager

Biodiversity represents the total variety of all life on earth. The more biodiversity on earth, the more secure all life is. Biodiversity is currently under huge pressure. As deSter we want to see how we impact

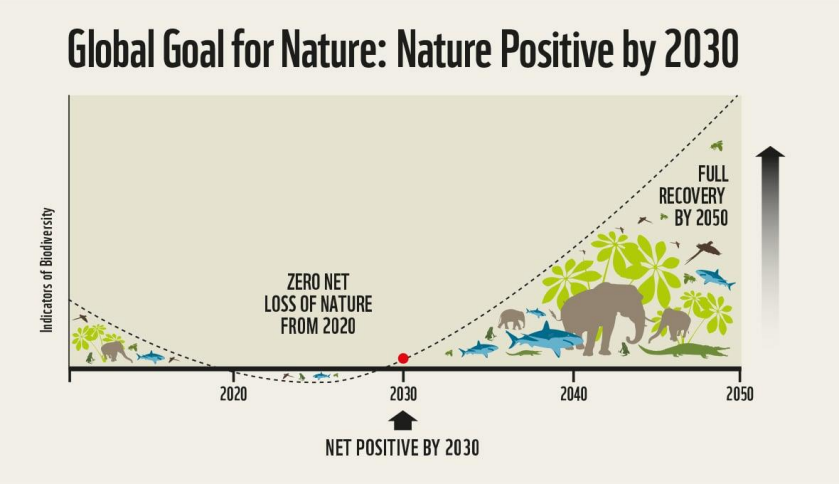
biodiversity to adverse this and we strive to contribute to the global goal to reach **nature positive** in 2030 (see graph 3).

Biodiversity has five main **pressures**:

1. land, water, sea use and change
2. resource exploitation
3. climate change
4. pollution
5. invasive species.

Our Product Circularity and Anti-Pollution actions directly influence “land, water, sea use and change” and “pollution”, our Responsible Resource Use connects to reduce “resource exploitation” and working on the reduction of our carbon footprint to fight climate change is beneficial to biodiversity. We believe it is important to take a **holistic** approach. Measures taken on one topic should not cause harm to another related issue and preferably should be beneficial for multiple environmental issues at once.

Our approach is to first identify where we can make the biggest contribution in the coming years, however meanwhile we will start already with smaller steps by looking at enhancing biodiversity at our sites.



Graph 3: graph of Global Goal for Nature - Source: Nature Positive

Our biodiversity targets:

- 2023: conduct a **biodiversity materiality analysis** to identify where we can make the biggest impact and which actions we can take in the years to come.
- 2023: roll out a first **pilot project** in one of our production sites to enhance local biodiversity, working together with local stakeholders and organizations.
- 2025: have implemented local biodiversity actions at all our **production locations** based on the knowledge from the pilot project

Overview Of All Environmental Targets

Policy	2023	2024	2025	2030	2050
1. *Greenhouse gas reduction*	Commit to SBTi Calculate scope 3 GHG emissions	Submit and validate SBTi targets	25% reduction of carbon footprint in all operations (scope 1,2 and 3), compared to 2019.	75% carbon footprint reduction scope 3, compared to 2019 and net zero carbon in our scope 1 and 2 emissions.	Net zero carbon in all operations (scope 1, 2 and 3).
2. *Energy consumption*			HGS: relative 6% reduction of electricity use compared to 2019. PRB: relative reduction of 300 000 kWh electricity used, compared to 2019. LIM: relative 10% reduction of electricity use, compared to 2021.	100% electricity from renewable sources. Net Zero carbon in the energy usage.	
3. *Waste management*			HGS: relative 10% waste reduction (in weight) compared to 2019. PRB: relative 5% reduction of total waste (in weight) compared to 2019. LIM: relative 5% waste reduction (in weight) compared to 2021 and no hazardous waste goes to landfill.	HGS: relative 15% waste reduction (in weight) compared to 2019. PRB: Only hazardous waste categorized by the Thai DIW and PH should go to landfill. LIM: relative 10% reduction of waste going to landfill, compared to 2021.	Net Zero Waste in all our own operations.
4. *Water management*			HGS: relative reduction of water usage with 5000m³, compared to 2019. PRB: relative reduction of 10% of water consumption compared to 2019.		
6. Responsible resource use			Sustainable sourcing approach. Transparency on type of boards and fibers used and their source. Increase current FSC certified		

			sourced materials from all fiber-based articles from 8.5% to 15%.		
8. Consumer health and safety	All new fiber-based products launches are PFAS free. Consumer complaint rate of or lower than 0.2 per 1000 production hours.	Remove all added fluorinated (PFAS) compounds from all fiber-based packaging materials globally.			
9. Product circularity		All our products are reusable or compostable, and recyclable. We only use responsible resources.	100% of our products create zero waste.		
10. Pollution	100 hours pro bono work 1000 hours volunteering work 1000 people educated on avoiding plastic pollution 10.000 kg plastic waste collected 100.000 euro invested in innovative preventive solutions.	25% reduction of GHG footprint in all operations, compared to 2019. All products are reusable, recyclable, or compostable and we only work with responsible resources and sustainable materials. HGS: • Relative 10% waste reduction (in weight) compared to 2019. • Lower VOCs emitted by 40% (relative), compared to 2019. • Reduce NOx emissions by 50% (relative), compared to 2019. • Reduce SOx emissions with 50% (relative), compared to 2019. • Reduce suspended solids in wastewater		75% GHG footprint reduction in scope 3, compared to 2019 and be net zero carbon in our scope 1 and 2. HGS: relative 15% waste reduction (in weight) compared to 2019. PRB: Only hazardous waste categorized by the Thai DIW and PH should go to landfill. LIM: relative 10% reduction of waste going to landfill, compared to 2021, relative. 100% of products create net zero waste. Implement procedure of a risk analysis of new machine in PRB and LIM.	Net zero carbon in all operations. Net zero waste in all our own operations.

		with 15% (relative), compared to 2019. • Reduce inorganic chlorides in wastewater with 15% (relative), compared to 2019. • Reduce nitrates and nitrites in wastewater with 10% (relative), compared to 2019. PRB: relative 5% reduction of total waste (in weight) compared to 2019. LIM: relative 5% waste reduction (in weight) compared to 2021. No hazardous waste goes to landfill.			
11. *Biodiversity*	Materiality analyses. Pilot case local biodiversity.		Action on local biodiversity (based on pilot case) in all production sites.		

Relative is used in the overview to refer to a target being relative to the production revenue.

Remediation and Reporting

Considering we all play an important role in supporting deSter's policies we encourage our staff to speak up about concerns and to report any unethical or inappropriate behavior, and violations of our policies.

deSter staff can amongst others do so by using any of the following ways:

- Speak with their immediate supervisor or Human Resource representative
- Contact a member of gategroup's Legal team
- Contact the Speak Up Line (gategroup's confidential independent whistleblower service) (where available) via https://speakupline.gategroup.com/, gategroup's Intranet, or telephone (posted locally)

deSter takes every report seriously. We investigate thoroughly, fairly and confidentially, and take action as necessary and appropriate.

We protect those who communicate honest concerns from discrimination or retaliation.

Acknowledgement: deSter's Commitment

deSter Leadership Team

Addendum

1. REMOVE ALL PFAS FROM FIBER-BASED PACKAGING

Owner: Product Manager fiber-based packaging

PFAS (Polyfluoroalkyl substances) are chemicals used in some of our fiber-based packaging as they deliver excellent moist, grease and stain resistant properties. However, PFAS do not occur naturally in the environment and are extremely persistent and therefore accumulate in the environment. PFAS can also pose health risks. Furthermore, in the future stricter regulations are expected to phase out PFAS from packaging products.

Although the level those chemicals are present in our packaging products is compliant with the EU food approval legislation and REACH requirements, given the potential impact on the environment and health, we want to take a proactive approach in phasing them out.

- **Our targets on phasing out PFA from fiber-based packaging: As from 2023** all new fiber-based product launches will be PFA free. All internally produced fiber-based packaging is produced PFA free and for new product launches, sourced via manufacturing partners, we ensure no PFA is used.
- **By end 2024** we have actively phased out PFA from our current products by replacing each product with a valid alternative even if the look and feel might slightly differ.

We expect every employee, from sales to product developer, to take responsibility for this.