

2022



CREATING **SUSTAINABLE** FOOD AND
TRAVEL EXPERIENCES



SUMMARY

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INTRODUCTION

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STATEMENT FROM THE PRESIDENT

We believe that good business should be good for people and the environment. That is why sustainability is at the heart of everything we do. As a market leader in food packaging and service items, we understand we play an important role regarding the impact of our products and entire supply chain.

We are also taking the lead in the development of sustainable concepts. With our dedicated R&D teams, our engineering capabilities, the skills of our in-house deStudio design team and further investments, we are focused on bringing reusable, recyclable and compostable products to the market.

Building on these initiatives around our products, we broadened our approach in 2022 to create a comprehensive ESG initiative covering all social and environmental aspects of our business. This is how our #PeoplePlanetProduct strategy came to life.

With People, we care for our employees, our customers, stakeholders in our sup-

ply chain and the community around us. With Planet we strive to lower our environmental footprint to the absolute minimum. With Product we develop, produce, and sell products according to the principles of the Circular Economy, and in doing so, reduce waste. Our aim is to eventually create a positive impact on society and our environment.

We have defined clear goals and indicators for all different areas and established a dedicated team with an agile structure, including a #PeoplePlanetProduct ambassador from each department.

A key focus in 2022 was to define our commitments, execute risk assessments, get our whole organization onboard, and measure our progress.

What started as something small is now embedded in our entire organization. I would therefore like to thank the entire team and all our employees for embracing sustainability by putting it at the center of everything they do.

Our current sustainability efforts were recognized by achieving an EcoVadis 2022 Silver Rating, which positions us in the top 10% of our industry. It's a great achievement and motivation to continue improving. We are also pleased to connect with organizations such as the United Nations Global Compact and the Science Based Targets Initiative.

We have laid our foundation to become the sustainability leader in our industry. We want to address all aspects of our business: from the resources we use to the products we make and the partners we work with.

This report is a reflection of our efforts, which we will continue to drive. To achieve our goals, we rely not only on the commitment and dedication of our employees, but also on the support of and collaboration with our suppliers and customers. We are excited to drive this forward ... together with you.

SUSTAINABILITY IS AT THE HEART OF EVERYTHING WE DO

STEF VAN DE PERRE
PRESIDENT AND MANAGING DIRECTOR DESTER



1,000+

employees worldwide
and **40+ nationalities**



With our in-house design and development team, global manufacturing plants and network of manufacturing partners, we create and deliver sustainable, innovative food packaging and serveware concepts to the travel and foodservice industry



MARKET LEADER IN TRAVEL INDUSTRY

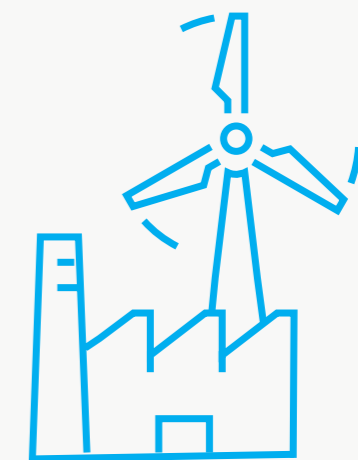
working with all major airlines,
full service offering

€345 MILLION

revenue 2022



deStudio IN-HOUSE DESIGN AND DEVELOPMENT



**IN-HOUSE MANUFACTURING
ON 3 CONTINENTS COMBINED
WITH STRONG NETWORK OF
MANUFACTURING PARTNERS.**
+50 years heritage in manufacturing
of food packaging

INNOVATOR IN FOODSERVICE MARKET

Growing number of customers



People
Planet
Product

INTEGRATED ESG
SUSTAINABILITY
APPROACH



SUSTAINABLE FOOD
PACKAGING AND
SERVICWARE



PHILIPPE DE NAEYER
DIRECTOR SUSTAINABILITY

ABOUT DESTER

CREATING SUSTAINABLE FOOD AND TRAVEL EXPERIENCES

deSter, a member of gategroup, is a leading provider of sustainable and innovative food packaging and serviceware concepts in the travel and food-service industry. By combining over 50 years of industry experience with a passion for design and trends, we deliver bespoke, customer-centric, and impactful innovations.

Founded as a general trading house in 1936, deSter took its first footsteps in resin-based manufacturing in 1973, with the production of the humble yet famous Belgian fries' fork. Today, we are a leading supplier for all major airlines and steadily growing in the "on-the-ground" food packaging market with leading foodservice customers. With over 1,000 dedicated

employees and a global supply chain, we are a trusted partner for our customers.

Our value proposition has the following elements:

- Human design inspired by human stories. We design beautiful and functional products that fit customer needs.
- Smart concepts powered by innovation. We are an innovative company and an industry expert.
- Peace of mind, conscious about people, planet, and products. We are a trusted partner for our customers and suppliers and a good employer. One can rest easy when working with us.

OUR MARKETS AND PRODUCTS

TRAVEL

YOUR PASSENGERS, OUR INSPIRATION

deSter delivers complete premium and main cabin concepts with an aim to provide the ultimate passenger experience. Since the smallest detail can make a world of differ-

ence, we develop designs in cooperation with our customers, then manufacture products in our own factories or together with our manufacturing partners. This way, we always

find the perfect balance between operational aspects, brand values, and price. We create and offer products in the following reusable or compostable product categories:

OUR TRAVEL PRODUCT OFFERINGS

Main Cabin

Trays, bowls, dishes, cutlery, drinking cups, hot meal dishes, cardboard packaging and more.



Crew and Galley Equipment

Drawers, trolley equipment, glass racks, cup holders and other equipment.



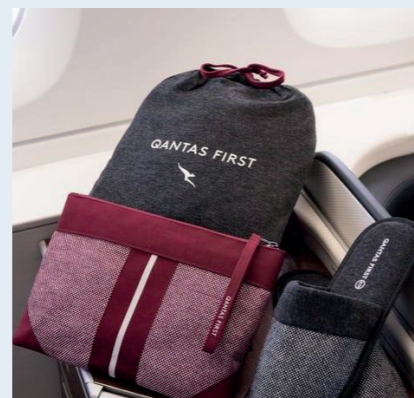
Premium Dining

Chinaware, stainless steel cutlery, glasses, and table linen.



Amenities and Comfort Items

Amenity kits, skincare products, eye masks, sleepwear, blankets, pillows and any other comfort items.



FOODSERVICE

DINING SOLUTIONS FOR PEOPLE ON THE MOVE

deSter is all about creating exciting and inspiring foodservice concepts. Whether it is a highly customized, bespoke design or a standard off-the-

shelf product, we provide our customers with solution tailored to their brand or business. We are BRCGS Food and Packaging certified.

WE FOCUS ON THE FOLLOWING MARKETS

Food Distributors

Whether you are planning a dinner party, catering event, or festival, our products set the stage for a memorable meal or drinks.



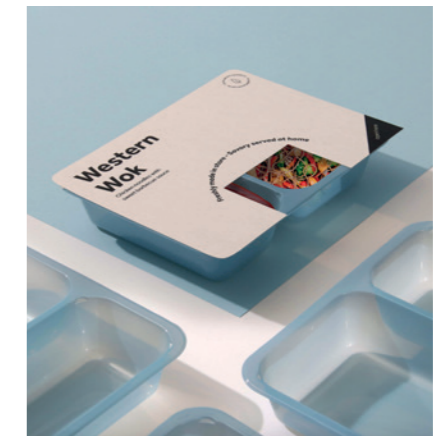
Quick Service Restaurants

Quick service restaurants need packaging that lives up to their brand expectations and creates a seamless customer journey. We support them by designing and delivering unique tailor-made solutions.

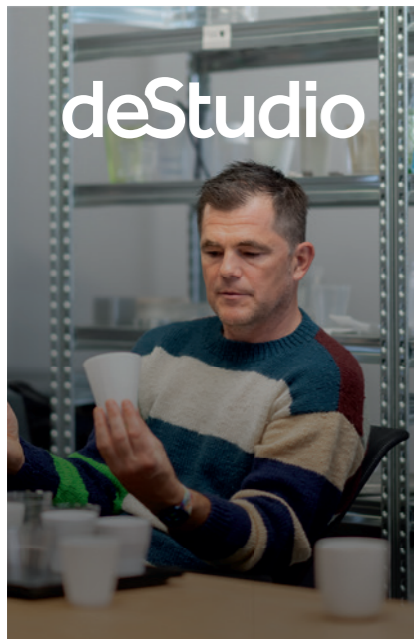


Food Processors

Food processors need reliable packaging solutions. We offer technical and production expertise, creating superior products that meet the end users' needs.



OUR CORE CAPABILITIES



DESTUDIO: DESIGN AND DEVELOPMENT

One of the deSter's unique selling points is deStudio, our in-house team of award-winning designers, engineers, product developers and material experts, who work closely with experts in the hospitality market. deStudio's dynamic capabilities enable us to develop a project with our customers entirely in-house, from ideation and concept development to technical design, and finally, production. With this unique set-up, we shape our customers' tableware, equipment, or foodservice packaging, to reflect their identity and vision for the future.



EQUIPMENT MANAGEMENT SERVICE

With our equipment management service, we manage the products and supply chain on behalf of our customers. This could comprise logistics and warehouse management or go as far as assets ownership with a variable fee model (fee per use of the product) - a highly successful approach used by many of our customers.



SUSTAINABILITY

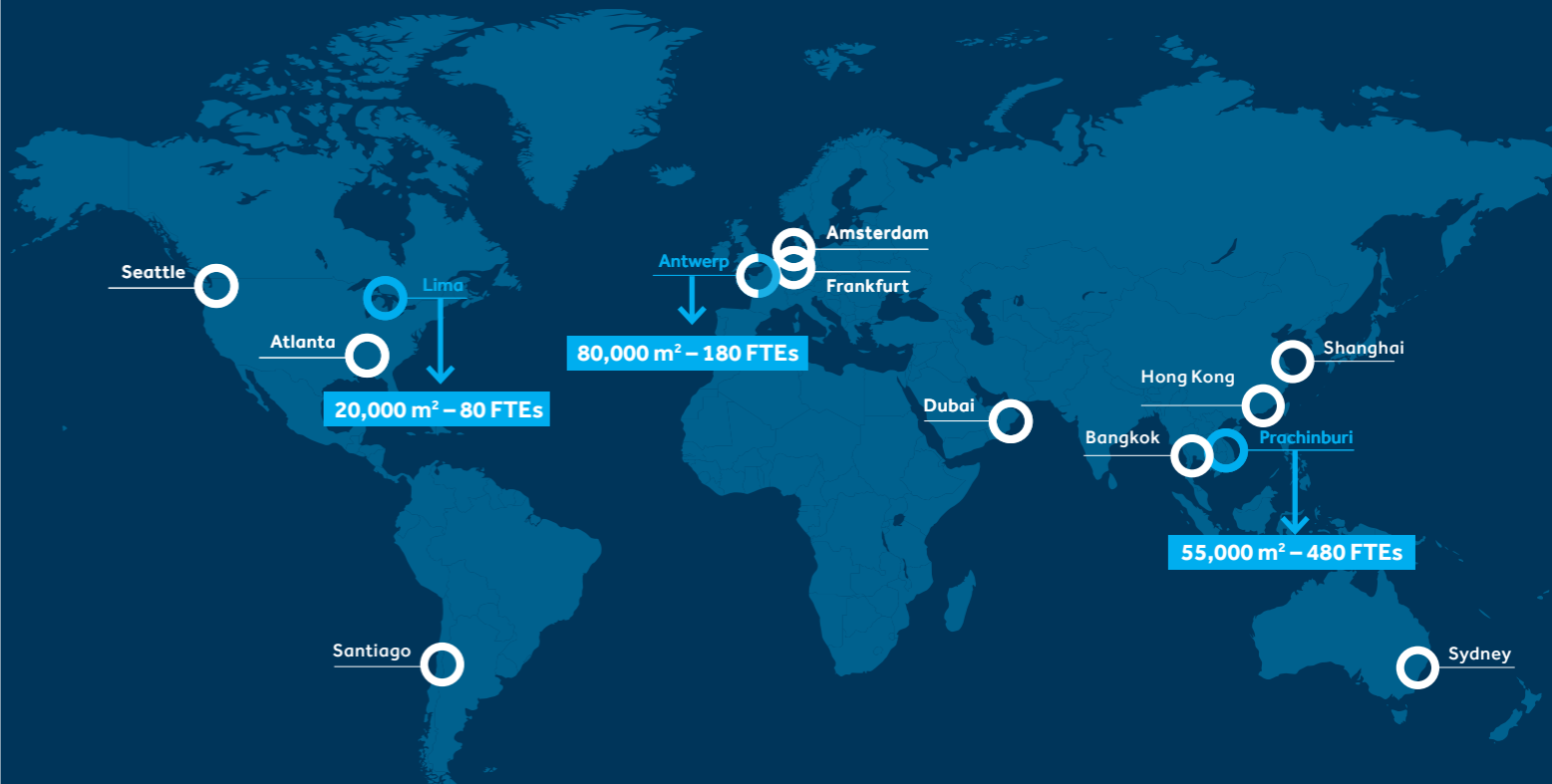
As the market leader in our industry, we aim to create a positive impact on society and our planet by offering sustainable products that are created, manufactured, and delivered in a responsible way.



TRADING

Beyond our production facilities, deSter collaborates with a select group of trusted production partners, which are meticulously chosen and continuously evaluated by our procurement and quality teams. We work with specialists in premium dining and amenities, fiber, and plastic raw materials.

"THINK GLOBAL, ACT LOCAL"



- deSter offices
- deSter manufacturing

PRACHINBURI Thailand

- Fiber Production
- Injection Molding
- Sheet Extrusion
- Thermoforming
- Cutlery Pack Assembly
- Condiment Production
- Lacquering and Aluminum

ANTWERP Belgium

- Fiber Production
- Injection Molding
- Sheet Extrusion
- Thermoforming
- Cutlery Pack Assembly
- Condiment Production

LIMA Ohio, USA

- Injection Molding
- Sheet Extrusion
- Thermoforming
- Cutlery Pack Assembly

MANUFACTURING

We have over 50 years of experience in manufacturing quality products, with facilities in Belgium, the USA and Thailand. Harnessing our network of strategically located manufacturing sites and warehouses, we can provide a premium service

to customers worldwide with short delivery lead times and low-carbon-impact transport. Our main production capabilities and recent investments include: wet molded fiber, Dry Molded Fiber, paper board cutlery, cutlery packs assembly,

injection molding, extrusion / thermoforming. Our manufacturing sites have mostly the same technologies, so most products can be produced in any location.

SUSTAINABLE PRODUCT HIGHLIGHTS IN 2022

deSter has been applying the Circular Economy approach for a number of years. The following projects are highlights of these efforts in 2022. They are categorized by "Reusable and Closed-Loop" or "Compostable Fiber-Based Pack-

aging". Our goal is to become 100% circular. As such, our dedicated R&D team, designers and product managers are constantly looking for ways to push the boundaries and create products that are sustainable, practical and appealing.

REUSABLE AND CLOSED-LOOP PRODUCTS



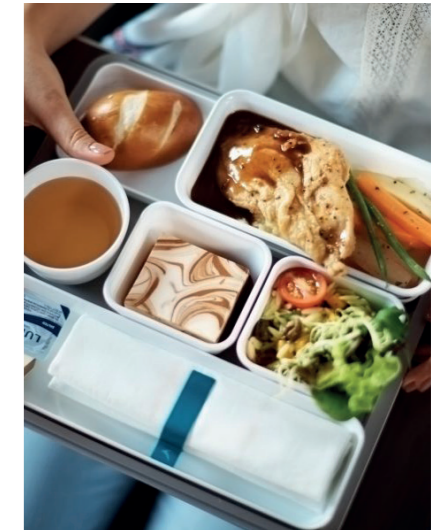
Etihad Airways

In 2022, deSter launched a fully reusable and circular Economy class tableware concept for Etihad. We made all trays, bowls, lids, and hot meal casseroles reusable and part of a closed-loop recycling process, eliminating the use of single-use plastics on board and minimizing waste. At the end of their lifecycle, the products are collected, washed, ground, and re-used to make the same product while maintaining a premium dining experience.



KLM Royal Dutch Airlines Premium Economy

Several years ago, we introduced the first recycled product to the airline industry: the KLM Economy class meal tray. We are now extending that closed-loop recycling system in the airline's Premium Comfort cabin, with recently launched lightweight reusables. Furthermore, for the transparent lids, we used recycled PET. The materials have been carefully assessed for circularity and weight, without compromising aesthetic features.



Cathay Pacific

Another customer that we helped in its quest to reduce waste is Cathay Pacific. Hong Kong's flagship carrier already introduced durable, reusable products in its onboard service, but still used single-use plastic lids and cutlery. These have since been replaced with reusable alternatives as well, and the airline's reusable trays are now part of a closed-loop system.

REUSABLE AND CLOSED-LOOP PRODUCTS



Reusables for McDonald's – a major shift

At the end of 2022, the launch of reusable equipment by McDonald's in France went viral. deSter was a development partner for this major operational change. We consulted on material selections and developed a best-in-class manufacturing process. This included the use of food-safe RFID tags on selected items, which can be read when scanned in large batches. The RFIDs can also be removed at the end of life to ensure the products can be recycled as part of a closed-loop process.



Borro, a cashless deposit system for returnable tableware

Borro offers a cashless deposit, which encourages the return of reusable tableware from meal delivery services. At deSter, we are aware that the biggest challenge with reusable packaging lies in setting up a new system with return logistics, cleaning, traceability and encouraging end-users to return packaging. Borro is a separate venture in search of a frictionless customer journey. Borro's ambition is to make recycling easy, together with a simple cashless deposit software.



KLM Business class upgrade

When it comes to Business class, we are constantly looking for new ways to reduce environmental impact. For KLM Business class meals, hard porcelain was replaced by bone china+ - a new type of ceramic that is lighter and thinner than traditional porcelain but has the same durability. This not only made the overall arrangement lighter but also ensured better stackability, which has had a positive impact on transport.

REUSABLE AND CLOSED-LOOP PRODUCTS



LH Business class

Lufthansa Business class offers a unique dining experience that incorporates local and sustainable ingredients through its "Tasting Heimat" program. For the airline's menus, ingredients are sourced from German farms and local producers around the Frankfurt and Munich regions. The dishes are prepared fresh daily and served alongside locally produced tableware.

In addition, single-use plastics have been totally eliminated; instead, the airline uses products that are reusable, recyclable or compostable. We also helped Lufthansa reduce the total number of items used during the meal service.



From textile to textile

In collaboration with various partners from the textile and recycling industries, we contribute to a more sustainable textile supply chain and adopt a circular approach. We do this by reducing the overall consumption of raw materials and controlling the textile supply chain from the beginning to the end of life of our products.

Together with our supplier network, we were able to recycle eight tons of cotton in 2022. The goal is to significantly increase the number of post-consumer recycled materials, including waste from synthetic materials.

On top of this, we are gradually abandoning the use of disposable textiles, such as polypropylene non-woven, and replacing them with reusable solutions.



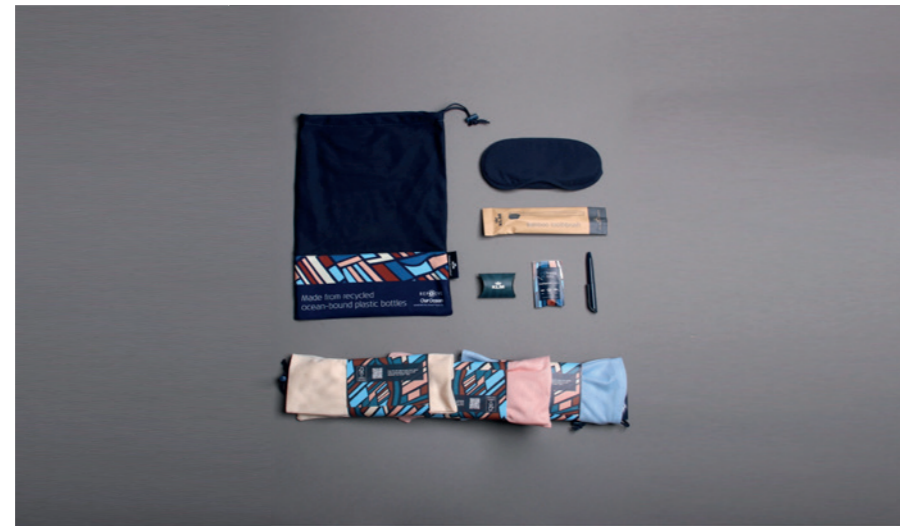
Re-kit

For several years, deSter has offered Re-kit, a special service for recycling amenity kits that were already flying on board aircraft.

When partially used or unused amenity kits are left on the plane, they are collected and taken to our facility for sorting. Untouched kits are returned for the next flight. If something is missing, opened or used, it is replaced with new products. When kits can no longer be used (e.g. if the bag's zipper is broken), they are donated to charities that support local communities. In addition to amenity kits, pyjamas are also recycled.

By doing so, we reduce waste, minimize costs for airlines, shorten delivery times and support local communities.

REUSABLE AND CLOSED-LOOP PRODUCTS



KLM Royal Dutch Airlines Premium Comfort - REPREVE Our Ocean Kit

In 2022, deSter and KLM Royal Dutch Airlines introduced a truly sustainable amenity kit for the airline's Premium Comfort class. We have created products to reduce environmental impact and promote reusability.

The kit includes an assortment of the following sustainable items:

- Toothbrush: high-quality certified bamboo toothbrush that can be used multiple times.
- Toothpaste: toothpaste tablets as an eco-friendly, travel-friendly, vegan alternative to conventional toothpaste tubes (which are difficult to recycle).
- Pen: made from wheat straw

- Eyeshade: made from recycled polyester (rPET) derived from PET bottles.
- Packaging: only FSC (Forest Stewardship Council) certified paper is used for all packaging.
- Bag: a reusable bag made of 100% recycled PET (rPET). Sourced from plastic bottles collected via the coastline (in collaboration with REPREVE Our Ocean).

The bag we created makes this design particularly special. Through the collaboration with REPREVE Our Ocean, more than 130,000 plastic bottles are saved that would otherwise go to the ocean every year.

COMPOSTABLE FIBER-BASED PRODUCTS



Paper board cutlery

Whether enjoying an in-flight meal or picking up takeout, cutlery is an important part of every packaging and dining experience. In 2022, we introduced a new type of paper board cutlery that's not only eco-friendly but also has a wonderful mouthfeel – something that cannot be said for most wooden alternatives.

Made from FSC-certified paper, this cutlery is 100% compostable and recyclable, minimizing its impact on the environment. We use a patented production technology installed in our European manufacturing facility, enabling lower-impact transport for our European customers when compared with wooden cutlery imported from Asia.

Several customers from both the travel and foodservice industry have already introduced this innovative product. We are expanding our production capacity to meet the high demand for our pioneering plastic-free single-use cutlery.

In addition, we also developed and implemented a new production line to manufacture the cutlery in-house. This shows that deSter not only innovates products and material use but also its manufacturing processes. We use highly energy-efficient, servocontrolled machines that require minimal compressed air to enable greater energy savings per item. For example, a paperboard cutlery fork uses 62% less electricity than an average injection molded plastic fork.

Apart from energy savings, the production of paper board cutlery uses 98% less water compared to the plastic equivalents.



In-house production of fiber-based packaging

Following the development of dry molded production in Belgium, we made a multi-million-dollar investment in production equipment for wet molded fiber products at our plant in Thailand. To reduce water consumption at this production site, we use a closed-loop water system.

COMPOSTABLE FIBER-BASED PRODUCTS



Fiber-based casserole for ANA and Air France

In 2021, ANA and deSter worked together on the development and introduction of a fiber-based casserole to replace the airline's plastic CPET casserole. To that end, we developed a dish using wood fibers and sugar cane waste, which met extremely high standards. For example, the casserole had to work in both conventional and steam ovens, hold fat rich food and have a secure lid. After extensive testing and great efforts from both deSter and ANA teams,

we achieved a milestone with the launch of this product.

Similarly, deSter worked with Air France to introduce a wet molded fiber casserole in 2022. Air France and its food partners also had specific requirements. After thorough testing and development to meet the parameters, we celebrated another successful launch.



Delta Air Lines' initiative to remove single-use plastics onboard

Eliminating single-use plastic is an important goal for Delta. As deSter supplies and develops all onboard equipment for Delta, we are constantly looking for ways to remove single-use plastic items. In 2022, that included replacing plates, lids, cutlery, salt, and pepper shakers, as well as behind-the-scenes service items with plastic-free, compostable alternatives. These changes will reduce plastic use by about 2.2 million kilograms a year, according to Delta.

COMPOSTABLE FIBER-BASED PRODUCTS



Cathay Pacific Flustix certified paper cup

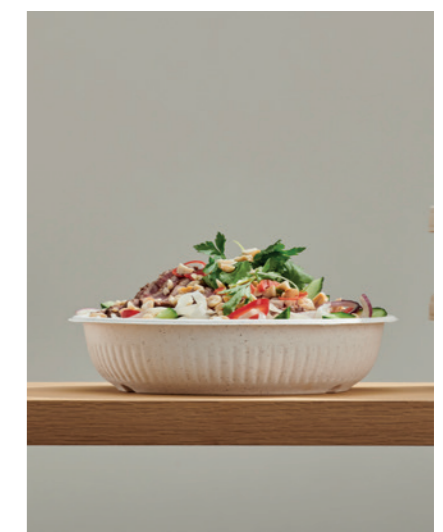
In December 2022, we introduced a new technology for paper cups in the aviation market by removing the commonly used internal polyethylene coating, which made recycling difficult and usually led to incineration. Through an innovative manufacturing process, we were able to have a home compostable solution, eliminating the need for the EU's dead turtle logo for single-use plastics. The paper cup also holds the official Flustix plastic-free certificate.



Lufthansa 'Onboard Delights' and 'Swiss Saveurs'

We also introduced sustainable food packaging materials on short- and medium-haul flights. For instance, we developed new modular product ranges made from FSC-certified paper and agricultural waste for Lufthansa's 'Onboard Delights' and 'Swiss Saveurs' culinary concepts.

The products' labels, which seal each container, communicate the environmental benefits to the passenger. This thoughtful detail did not go unnoticed, and the product was awarded the German Design Award 2022 for outstanding communication.



Ridge collection

A versatile fiber-based collection, Ridge features a few essential items composed of rice straw, wood and bagasse that can be combined with different lids based on our customers' needs.

We produce the collection in Thailand where there is an abundance of rice straw available, which reduces our transport footprint. Moreover, we created a windowed lid with a self-compostable film, meeting the grab-and-go market's need for shelf visibility and compostability.

SUSTAINABILITY APPROACH

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#PEOPLE PLANETPRODUCT

As a forward-thinking designer and global manufacturer, we prioritize environmental protection, social responsibility, and economic sustainability. We believe these principles are essential for a better future and align with our customers' values.

"ESG PROVIDES A FRAMEWORK TO MEASURE AND COMMUNICATE OUR IMPACT"

As part of our commitment, we continually assess our decisions to ensure they are beneficial in the present, can be sustained long-term, and will not compromise future generations' ability to meet their needs.

When planning our strategy, we used the ESG (Environmental,

Social, and Governance) framework to define our focus, measure our impact, and share our findings.

After analyzing the results of our materiality study, we created our own unique approach that communicates our ESG strategy to stakeholders in three simple words: #PeoplePlanetProduct.

With **People**, we care for our employees, customers, stakeholders in our supply chain and the communities around us.

With **Planet** we strive to achieve a net-zero carbon footprint and reduce operational waste.

With **Product** we develop, produce, and sell products according to Circular Economy principles and responsible resource usage.

Sustainability is at the heart of everything we do

At deSter we aim to create a positive impact as a company on the environment, people, society... on the world. It's time to take action together.

Join us on this journey!

PEOPLE

Be a Great Place 2 Work, establish a fully committed supply chain and actively contribute to local communities

PLANET

Reduce our carbon emissions to the absolute minimum, avoid waste and pollution, and protect biodiversity

deSter

PRODUCT

Make all our products reusable, recyclable or compostable and use responsible resources

PeoplePlanetProduct



PEOPLE
BE A "GREAT PLACE 2 WORK"
2025
 Become a reliable employer that takes care of its employees

ESTABLISH A FULLY COMMITTED SUPPLY CHAIN
2025
 Only work with partners that are committed to high social and environmental goals

ACTIVELY CONTRIBUTE TO COMMUNITIES
2025
 Work with local communities to reduce plastic pollution worldwide via collaboration, volunteering, pro bono work and donations

PLANET
REACH NET-ZERO CARBON
2025
 Achieve 25% carbon footprint reduction across our entire value chain, compared to 2019
2030
 Reach net-zero carbon across our internal operations
 Achieve 75% carbon footprint reduction across our entire value chain, compared to 2019
2050
 Reach net-zero carbon across our entire value chain

AVOID WASTE, POLLUTION, AND PROTECT BIODIVERSITY
2030
 Achieve net-zero waste across our internal operations
2030
 Contribute to reach nature positive in 2030

PRODUCT
CHAMPION CIRCULAR ECONOMY
2020
 Since 2020, we have only launched new products that are reusable, recyclable or compostable
2025
 All products are either reusable, recyclable or compostable, with unnecessary single-use plastic phased out
2030
 100% of our products create zero waste and we only sell products with guaranteed circularity
RESPONSIBLE RESOURCES
2025
 We work exclusively with responsible resources and sustainable materials

REMOVE PFA
2025
 Remove all added fluorinated compounds from packaging materials beyond regulation requirements

OUR GOALS

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

Introduced by the United Nations (UN) in 2015, the Sustainability Development Goals (SDGs) are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

There are 17 SDGs from which we have selected 12 where we can make the biggest impact. We have aligned our sustainability targets with these 12 SDGs. By setting sustainability targets, we can also measure our progress and contribution to the SDGs. More details on our targets can be found in the addendum to this report.

MATERIALITY

Our materiality assessment – the process of identifying the most significant sustainability issues for deSter to measure – was conducted as follows:

First, we selected the most relevant SDGs through an internal survey with deSter's extended leadership team. Next, we ref-

erenced the key areas of improvement noted in our 2021 EcoVadis assessment to further identify of our goals. Lastly, we used the results from our environmental, human rights and ethical impact assessments.

Together with stakeholders from all departments, including our senior leadership team, ESG team and ESG ambassadors, the identified objectives were refined into concrete targets and key deliverables. This action plan was shared with our clients, consultants, and employees for further review, feedback, and consolidation.

This process resulted in a solid ESG strategy, summarized in our #PeoplePlanetProduct initiative with specific goals. From these objectives, we created a comprehensive list of Key Performance Indicators (KPIs) to measure our progress and results. The full list of all goals and KPIs can be found at the end of this report.

A follow-up materiality study involving more external stakeholders will be conducted.

SDG FOCUS

SDG FOCUS

SDG FOCUS

OUR COMMITMENTS AND ENDORSEMENTS

We seek external validation and verification on all aspects of our People, Planet, and Product goals to hold ourselves accountable and achieve proven progress. These organizations provide us with feedback, ratings, or certifi-

cates. We are also part of relevant sustainability networks, such as The Shift, where we share knowledge and experiences, while collaborating with others to address today's social and environmental challenges.



UN GLOBAL COMPACT

The UN Global Compact is a non-binding initiative launched by the United Nations in 2000 that encourages businesses and organizations to adopt sustainable and socially responsible policies and practices. It consists of 10 principles in the areas of human rights, labor, the environment, and anti-corruption, and encourages companies to align their strategies and operations with these principles and take actions that advance societal goals.

SCIENCE-BASED TARGETS INITIATIVE

The Science-based Targets initiative is a partnership between several organizations, including the United Nations Global Compact, the World Wildlife Fund, and CDP, that aims to help companies reduce their greenhouse gas emissions in line with the goals of the Paris Agreement on climate change.



BACA

The Belgian Alliance for Climate Action supports organizations across Belgium to realize their full potential in the pursuit of a carbon-neutral society. With a firm belief in the power of science, they provide access to a scientifically based method that allows members to reduce carbon emissions effectively.



FSC® CERTIFICATION

As the leader in sustainable forestry, FSC® is trusted by NGOs, businesses, and consumers worldwide to protect healthy, resilient forests for all, forever. Today, they're the leader in sustainable forest management, operating the world's most rigorous and trusted forest certification system. Their "check tree" label is found on millions of products worldwide, verifying sustainable sourcing from the forest to store shelves. *deSter HGS FSC® license code FSC-C141738.



GREEN DEALS ANDERS VERPAKT

Green Deals Anders Verpakt was created by the Flemish government in Belgium and signed by more than 80 companies in 2022. They focus on reducing one-way packaging by avoiding or reusing it, thereby also reducing the environmental impact of the packaged product. By signing the Green Deals Anders Verpakt, we commit to working actively on prevention (omission of the packaging, transport in bulk) and packaging reuse.



GLOBAL TOURISM PLASTICS INITIATIVE

GLOBAL TOURISM PLASTICS INITIATIVE

The Global Tourism Plastics Initiative (which is part of the UN World Tourism Organization) unites the tourism sector behind a common vision to address the root causes of plastic pollution. It enables businesses, governments and other tourism stakeholders to lead by example in the shift towards a Circular Economy of plastics.



THE SHIFT

The Shift is the Belgian sustainability community. Its platform of diverse organizations has one common goal: to actively work together towards a more sustainable economy and society. They bring together over 540 companies, NGOs, public and academic institutions and are the national point of contact for the World Business Council for Sustainable Development (WBCSD), CSR Europe and B Corp.



GLASGOW DECLARATION Climate Action in Tourism

GLASGOW DECLARATION ON CLIMATE ACTION IN TOURISM

The Glasgow Declaration on Climate Action in Tourism unites travel and tourism behind a common set of pathways for climate action, aligning the sector with global commitments and catalyzing collaborative solutions to the many challenges facing businesses and destinations globally. The Glasgow Declaration encourages climate action in tourism by securing commitments to reduce emissions in tourism by at least 50% over the next decade and achieve net-zero as soon as possible before 2050.



ECOVADIS SUSTAINABILITY SILVER RATING 2022

EcoVadis is currently the world's largest and most trusted provider of business sustainability ratings, with a global network of more than 100,000 rated companies. Its methodology is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000. In 2022 deSter reaffirmed its Silver Rating. We were awarded a score of 65 compared to the last year's score of 54. This elevates deSter to the top 10% of all rated companies in the industry.



VLAIO DEVELOPMENT GRANT OF THE FLEMISH GOVERNMENT

Confirming the innovative nature of deSter's sustainable product developments, deSter was awarded two major development grants, funded by the Flemish government, for the development of dry-molded fiber packaging technology and the development of our Paper Board cutlery.

LEADERSHIP AND GOVERNANCE

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Stef Van de Perre
President and Managing Director deSter

THE ESG TEAM



Thomas Berti
CCO Travel and ESG



Philippe De Naeyer
Director Sustainability and ESG

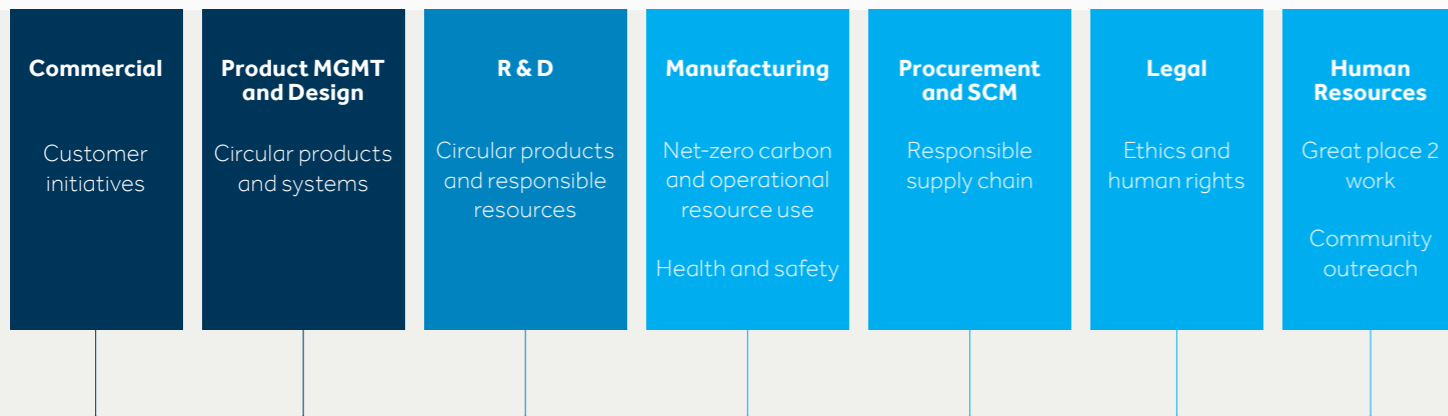


Veronica Pino Palacio
Sustainability and ESG analyst

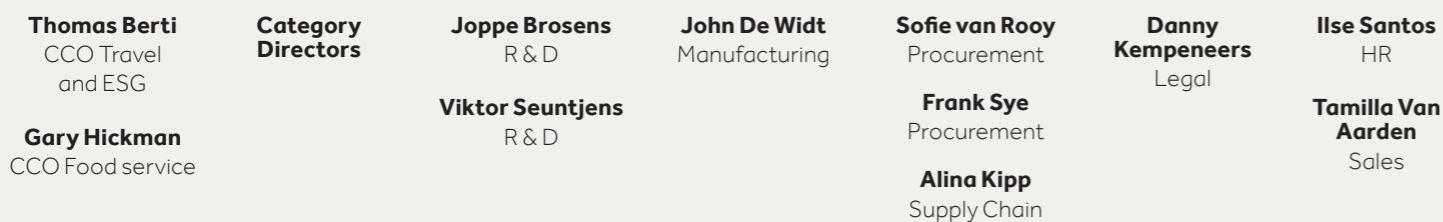


Fien Van Den Heuvel
Environmental Footprint Manager

DESTER LEADERSHIP TEAM (LTM)



THE ESG AMBASSADORS



Ekaterina Byankina
Marketing and Communication

Britt Colin
Graphic Design

INTEGRATED ESG TEAM

deSter's ESG organization consists of three levels, involving all departments and locations.

The overall initiative is embedded into deSter's Senior Leadership Team (LTM), with the Chief Commercial Officer Travel being the LTM sponsor for ESG, directly reporting to deSter's President and Managing Director. The LTM sponsor supports and challenges the ESG team, while ensuring alignment with leaders across different disciplines.

Furthermore the ESG team consists of three people, headed by the Director Sustainability and ESG. The ESG team reports at least four times a year to the President and the entire LTM, to align on targets, provide progress updates and adapt where necessary. In addition, meetings with the President take place in between, for example, monthly to discuss greenhouse gas reduction measures.

The individuals on the ESG team, together with several employees

from relevant departments (i.e., the ambassadors), form a multi-disciplinary ESG community. Each ambassador handles a specific ESG topic and is responsible for the progress of targets in that area (e.g. responsible supply chain). The ESG community has also been involved in defining frameworks and setting targets for each topic. The ESG community (team and ambassadors) meets four times a year to present achievements and share lessons learned.



To ensure buy-in and engagement, the ESG sponsor and ESG team regularly update the whole deSter organization during our virtual global townhall meetings and in our internal newsletter.

BUSINESS ETHICS

Our commitment to ESG extends beyond our #PeoplePlanetProduct activities and initiatives. It is also about the way we do business in accordance with our core values and principles. At deSter, compliance starts at the top, with our leaders setting the standard for ethical business practices. We comply with all applicable laws and regulations, and with our code of conduct, we ensure that we operate in an honest, ethical and lawful manner. Our Ethics program (see image below) aims to foster a culture of integrity that goes beyond compliance with the law. It is a continuous learning process. This includes initiatives that help individuals within deSter build their ethical sensitivity and capacity for moral reasoning and reduce rationalizations for unethical behavior.

ETHICS PROGRAM

We have implemented rigorous approval processes to identify and mitigate potential risks. In 2022, an in-depth ethical risk assessment was conducted with our entire leadership team, covering all business angles related to risk and mitigation. The

assessment concluded with a detailed tasks list that we review quarterly at leadership meetings to increase assurance in 2023 and beyond.

We actively participate at gategroup level in the Business Risk & Compliance Committee Meeting (BRCC), which takes place quarterly. During these meetings, we discuss legal and regulatory updates, compliance training, complaints and whistleblower reports, data privacy compliance and other concerns.

In 2022, as in the years before, none of our entities was subject to any investigations related to anti-corruption and anti-bribery regulations, competition law, or anti-money laundering provisions. We monitor economic sanction regimes and ensure that we stay fully compliant with all laws and regulations.

In 2022 we have taken specific measures to ensure compliance with business bans and sanctions against individuals and companies. To improve supply chain due diligence, we launched an initiative requiring key suppliers to adhere to our Supplier Code of Conduct. This includes



principles related to environmental protection, protection of human rights, and anti-corruption measures.

Recurring training on Policies & Procedures applies to all companies of gategroup, including deSter. Some highlights on ethics training in 2022: Competition Law, Business Ethics Policy, Cyber Security Awareness Training, Data Protection, and Information Security, among others

DATA INFORMATION AND SECURITY

Our 2022 Information Security Improvement Program focused on strengthening cyber security controls for prevention, protection, and response. A cybersecurity risk assessment was conducted with the relevant service providers, as well as an external and independent audit to strengthen the security. No security incidents occurred in 2022.



HUMAN RIGHTS

Along with the launch of our #PeoplePlanetProduct approach, we paid special attention to governance. In 2022 we renewed policies that affirm our commitment to respecting and protecting internationally accepted human rights.



As part of our due diligence, our leadership team conducted an in-depth risk assessment of our existing approach to identify and eliminate any potential human rights risks in our business activities or supply chain.

The assessment showed that we have a robust governance framework in place. At the same time, we recognize that we must be vigilant to protect our stakeholders.

We will continue to implement additional measures as outlined in an action list, alongside other governance topics, and address them quarterly at leadership team meetings.

We signed the UN Global Compact and have committed to integrate the 10 universally accepted principles related to human rights, labor, environment and anti-corruption into our culture, operations and strategies.

Furthermore, when necessary, deSter will take action in specific cases where national legislation does not provide adequate provisions against human rights violations.

In 2022, as in the years before, no incidents of human rights violations were reported on child or forced labor.

PEOPLE

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PEOPLE

From our dedicated employees to suppliers, customers, and beyond, people are deSter's most valuable resource and source of strength. We realize that our activities affect the lives of those in the communities around us, and we are working together to create a positive impact.

Strategy with a focus on employee engagement and an ambitious goal of becoming a "Great Place 2 Work" by 2025. In the analysis phase, a roadmap was developed based on three main pillars: **"Appreciate," "Connect"** and **"Trust."** In the coming years, implementation, monitoring and feedback from employees will be key to our success.

The past few years have shown the resilience and strength of our organization. After the acquisition of SPIRIANT in December 2020, we continued our post-merger integration through 2021. This transition, combined with the pandemic, brought about many changes. However, our team's dedication enabled us to navigate the challenges and regain our strength, as our travel and foodservice business recovered in the second half 2022. Our growth is also reflected in our headcount. At the end of last year, we reached a new milestone of 1,000 employees and ended the year with a 25% increase in staff compared with 2021.

Our strategy is supported by a HR organization with local presence in Belgium, Germany, Thailand, and the USA, and coordinated by a global team focused on talent acquisition, onboarding, learning, performance management and culture. As the voice of our employees is important to us, our HR Business Partners provide team members with support and advice. In case of any concerns, employees are encouraged to talk to their HR Business Partner, supervisors, or use our speak-up line (an anonymous ethics hotline where employees can provide feedback and raise concerns).

We developed deSter's People

BE "GREAT PLACE 2 WORK"	2025	Become a reliable employer that takes care of its employees
ESTABLISH A FULLY COMMITTED SUPPLY CHAIN	2025	Only work with partners that are committed to high social and environmental goals
ACTIVELY CONTRIBUTE TO COMMUNITIES	2025	Work with local communities to reduce plastic pollution worldwide via collaboration, volunteering, pro bono work and donations

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

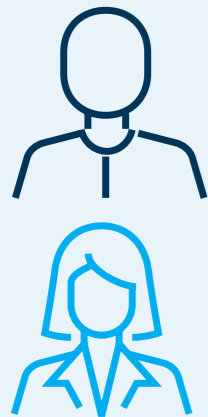
8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

1,000+

Employees worldwide and **40+ nationalities**

Employee total based on numbers at the end of January 2023. All other data is based on end-of-year 2022.



49%
MEN

51%
WOMEN



47%
Direct labor

53%
Indirect labor



12.6 Training hours per employee

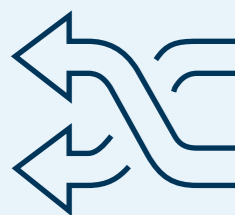
97% of employees received performance feedback



534

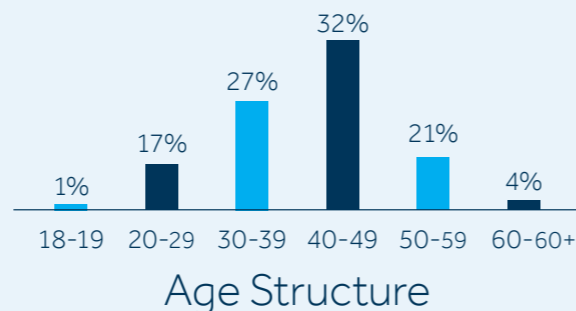
New joiners
resulted from the pandemic recovery

Employee turnover rate
10.5%



30 Internal replacements

45% of all employees switched to a new digital platform in 2022



Sustainable supply chain

90% of suppliers committed to our social and environmental goals

100% of suppliers screened



Community outreach

Goals defined and first local actions completed

Health and safety

Global lost-time injury severity rate **0.11 vs 0.46** industry standard*

(*Based on Belgian standard)



OUR PEOPLE IN 2022

POLICIES

As a crucial part of our ESG and HR strategies, we focused on our governance in 2022 by writing, reviewing, sharing, and communicating our "Global People Policies". deSter staff familiarized themselves with these policies through in-house training and testing to demonstrate their knowledge.

Our global policies focus on:

- Prohibition of any form of child labor and forced labor
- Abolition of all kinds of compulsory and forced labor
- Diversity, Equality and Inclusion
- Fighting discrimination and harassment, including grievance mechanisms
- Recruiting
- Training
- Career management
- Social dialogue

DIVERSITY, EQUALITY, AND INCLUSION

Diversity

We strive for an inclusive culture that values diversity, as well as equal treatment and opportunities for all. We employ people from over 40 nationalities worldwide, and are constantly looking for more talented people to join us. To expand our teams, we offer internal career opportunities, seek external talent, and aim to new talent through employee referrals. During the selection and recruitment process, we systematically apply gender neutrality and non-discrimination approaches.

Equality

We work to achieve a workplace environment in which individual and team

efforts are rewarded and recognized and all employees have access to the same opportunities, benefits, and treatment.

In 2022, we achieved a 49/51 men-to-women gender balance within the company, and the number of female leaders is increasing.

Gender pay gap analysis

Every year at our Belgium location, we conduct an adjusted gender pay gap analysis, which is then reported and discussed with the local workers council.

As part of our ongoing commitment to promoting equality, we broadened our scope in 2022 and conducted a global unadjusted gender pay gap analysis across our organization. The initial findings indicate that factors such as company seniority, job seniority and job levels play a significant role in the results, with men earning higher hourly wages on average than women. With this knowledge, we are taking steps to conduct an adjusted gender pay gap analysis on a global level and develop a tailored action plan.

Living wage pay gap analysis

We also conducted a pay gap internal audit including 97% of our employees and compared the results against recognized living wage standards. We understand our responsibility to promote living wages for all of our workers and are committed to making the necessary changes to close the gap by 2032.

Inclusion

Where needed, employees receive support from supervisors and HR to successfully integrate into our culture and work environment. For example, they can attend language training at our facilities and we offer one-on-one sessions to monitor their progress.

In cases of long-term illness where people

cannot fulfill their job due to physical or psychological reasons, we provide re-integration support. Together with an occupational physician, we strive to offer employees another job or adjust work schedules and provide more flexibility.

Externally, we collaborate with companies employing people from minority groups, such as an educational center for people convicted of crimes and workshops for people with disabilities, in our supply chain.

WELL-BEING AND WORK-LIFE BALANCE

Employee feedback

With the support of the IDEWE (External Service for Prevention and Protection at Work in Belgium), we took a well-being survey in 2022 to map psychosocial workloads (e.g. stress, burnout, and transgressive behavior). Positive aspects were also covered, such as satisfaction, commitment, participation, and development opportunities. The feedback has informed our goals and helped shape our roadmap for coming years, in which learning opportunities and general well-being will be a priority.



Sport@dester

For several years, we have been running the sport@deSter initiative to encourage employees to partake in sports and welfare initiatives that differ by location. It is run by employees acting as sport@deSter ambassadors. Here are some 2022 highlights.

USA

The company sponsors YMCA memberships for all employees and their families, so they can engage in a variety of sports activities, such as swimming, aerobics classes, basketball and more.

Belgium

Our sport@deSter champions organize different activities, such as group walks during lunch breaks, jogging, training for annual races, and ping-pong tournaments.



deSter Strava group

All of our employees are welcome to join this popular social fitness network and encourage each other to exercise through monthly group challenges, like longest bike rides or most workouts.

Germany

We have also implemented similar initiatives at deSter Germany, such as a running club and ping-pong tournaments.



Thailand

Some of our employees in Prachinburi participate in races twice a year. We sponsor their application fees, food, beverages, and shuttle bus transit for race participants.

Healthcare and family benefits

We offer health coverage at all locations, because we believe employees who receive health support are more engaged and motivated, leading to a better quality of life – both personally and professionally. We also provide benefits to support the well-being of our employees' families. In Belgium, for example, we provide parental leave, medical assistance leave, caregiving leave, palliative leave, and breaks to breastfeed or pump during working hours. We also offer hospital insurance for employees and their families as a fringe benefit. In case of pregnancy in production, we offer alternative jobs, if available.

Hybrid working model

Following the pandemic, we have taken the necessary measures to introduce a permanent hybrid working model wherever possible. We encourage teams to alternate periods of working from home versus in the office, where they benefit from collaborating with colleagues, managers, and stakeholders. To support a hybrid model, we redesigned some of our offices to include a mix of collaborative and focus spaces. Moreover, work-from-home days allow employees to balance their private and work lives or work from different locations, which also contributes to their personal well-being. By introducing a permanent hybrid working model, we strive to create a more diverse and healthy workforce.

Events

At deSter, we strongly believe in positive social interactions at work because they can promote more effective teamwork, improve employee well-being, and reduce stress. Reuniting and integrating our teams through fun-filled social events has been particularly important following the pandemic and merger. A lot of team-building activities were organized outside the office with different teams from deSter locations worldwide. For instance, we often organized after-work drinks following an update from our President, the introduction of new colleagues or a presentation by an external speaker. We also took care to include local traditions and celebrations at each location to make staff feel at home.



"At deSter most of all I love the satisfaction I get when I solve problems and make customers happy."

Sandy Li, Customer Service Representative




"I am very lucky to work with such an amazing team and take a lot of inspiration from each of them."

Jarod Tump, Regional Business Development Director APAC Foodservice




"It is very inspiring to see the sustainability vision of deSter and projects underway, as well as the advances in the food service industry."

Laith Biltaji, Business Development Director Travel




TRAINING AND DEVELOPMENT

Performance Evaluation

In 2022, 97% of employees and leaders completed a performance review, which supports and guides them in their current job while also providing career opportunities and long-term goals. To help their career progress, we support them in developing skills beyond their current job. We encourage our employees to participate in the process since it can offer development opportunities and salary rewards based on performance.

Leadership Development

deSter's talent management approach identifies, develops, and promotes internal leaders. In 2022, we promoted several employees to new leadership roles and supported them with skills assessment, leadership training and coaching.

Furthermore, leadership development is not only aimed at senior management. Anyone, regardless of title or seniority, can thrive with our leadership opportunities. As one example, we offer essential skills training to employees who are promoted to leadership roles.

In case a relocation is needed to take up a leadership role in a different country, deSter offers administrative relocation support. In 2022, 4 employees were relocated to different countries.

Employee Trainings

Valuing the growth of our employees, we offer a variety of training opportunities internally and externally, from "Five Minute Trainings" delivered during pre-shifts to fact sheets distributed to teams and formal training programs for soft, technical, operational, commercial and leadership skills. In 2022, we conducted 12.6 hours of training per employee on average. In addition, we encourage employees from different offices to train each other and share inter-organizational knowledge via online channels.

GLOBAL COMMUNICATION NETWORK

Many of our functions and activities are spread across different locations, we use a global communication network to enable information sharing and foster community. The network not only helps employees to stay up-to-date on what is happening in other locations and ex-

change insights, but it also sheds light on work cultures and styles that are different from their own.

In 2022, we organized 8 Global Town Hall Meetings, which saw about 200 online participants per meeting. At these town halls, we exchange business, financial and HR updates. More focused meetings also took place at the regional level to address local issues.

To help our employees stay connected and informed around the globe, we offer several other global initiatives, including a Change Partner Network (focused on the postmerger integration), buddy program and monthly newsletters. We also have a globally standardized on-boarding process that helps employees learn more about the company and connect with teammates worldwide.

"THE GLOBAL ONBOARDING SESSION WAS VERY HELPFUL FOR A NEW JOINER TO UNDERSTAND MORE ABOUT THE COMPANY, AND I WAS HAPPY TO MEET AND CONNECT WITH NEW COLLEAGUES IN DIFFERENT REGIONS."

Winnie Leung (Hong Kong)

EXTERNAL ENDORSEMENTS

To challenge ourselves to improve, we often participate in external auditing of our social and environmental performance. With regards to deSter People, specifically, we regularly undergo Sedex SMETA (Sedex Members Ethical Trade Audit) and SWA (Standard Workplace Accountability) audits at various sites. Moreover, our factory in Thailand has achieved the Thai Labour Standard, awarded by the Ministry of Labour Protection and Welfare.

We also undergo rigorous environmental and social audits organized by our customers such as Subway, Havi/McDonald's, Duni, JDE Douwe Egberts, KFC, Carrefour, etc. We received no non-conformities in these audits.



HEALTH AND SAFETY

WE STRIVE FOR ZERO ACCIDENTS

We prioritize the health and safety of our employees at deSter. Throughout 2022, we made concerted efforts to cultivate and maintain our safety-first culture, with the ambitious goal of achieving zero workplace accidents.

Our revised policy and comprehensive training programs ensure that our employees are equipped with the knowledge and tools the need to maintain a safe work environment. Despite implementing strict health and safety measures, we recognize that accidents can still occur. Therefore, we focus on identifying potential hazards and assessing associated potential risks, systematically analyzing accidents and near-accidents, and enhancing communication and training.

We adhere to strict health and safety regulations and provide comprehensive

guidelines including safety trainings, handbooks, onboarding programs, and safety committees on all manufacturing locations to ensure the well-being of all employees worldwide, as well as for temporary workers and visitors. These requirements are detailed and apply to a wide range of safety issues. This includes buildings and premises, machinery and tools, maintenance, transportation and storage, work with a risk of falling, personal protection, hazardous substances, noise and ear safety, ergonomics and health protection, business trips, visits to customers, and driving to work.

The consultative Health and Safety committees at our manufacturing sites consist of local management and a group of elected employee representatives. As a committee, they issue opinions and formulate proposals regarding welfare

policy and conduct regular safety walks. Their responsibilities include an overall prevention plan. This is an annual action plan including adjustment measures, implementations, and results. The committees meet in most locations at least once a month.

To enable employees to anonymously voice concerns about potentially dangerous situations, we provide a "Working for a Safe Future" ideas box and a "Safety Hazard Observed" form.

Currently our lost-time injury severity rate of 0.11 is well below the industry standard of 0.46 (based on 2022 Belgium standards). Nevertheless, we strive for continuous improvement. We develop employee safety awareness training sessions following every accident in the workplace to prevent recurring injuries.

HEALTH AND SAFETY	2019	2020	2021	2022
Total lost-time injury frequency rate	0.57	1.50	1.37	1.04
Lost-time injury severity rate	0.11	0.48	0.18	0.11
Percentage of accident hours	0.08%	0.22%	0.25%	0.07%



JOHN DE WIDT - COORDINATOR HSE AND PAUL LOCKKAMPER - OPERATOR



SUSTAINABLE PROCUREMENT

ESTABLISH A FULLY COMMITTED SUPPLY CHAIN BY 2025

ONLY WORK WITH PARTNERS THAT ARE COMMITTED TO HIGH SOCIAL AND ENVIRONMENTAL GOALS

We recognize the importance of taking an integrated approach to sustainability. As such, we have conducted a comprehensive evaluation of our procurement practices and are committed to achieving fully sustainable practices by 2025. To help us achieve this goal, we established a team of Procurement Sustainability Ambassadors who are fully supported by the Vice President Global Procurement and Supply Chain.

To embed the new processes and requirements in our daily operations, we provided training to all members of our global procurement team. Approved by the Institute of Environmental Man-

agement and Assessment (IEMA), the training focused on ISO20400 auditing requirements – the global standard for sustainable procurement.

As part of our efforts to promote responsible practices among our suppliers and partners, we revised our Supplier Code of Conduct, with extra attention to social and environmental commitments. We also established a sustainable procurement due diligence process, in which we evaluate our suppliers based on location and commodity, and developed a plan to assess high-risk suppliers based on their sustainability performance.

SUSTAINABLE PROCUREMENT PROCESS ENVIRONMENTAL AND SOCIAL STANDARDS



Signature code of conduct



Risk analysis



Supplier assessment questionnaire



ESG audit



Corrective actions

COMMUNITY OUTREACH

ACTIVELY CONTRIBUTE TO COMMUNITIES

APPROACH AND GOALS

In addition to caring for our employees and monitoring our social and environmental impact across our supply chain, we aim to make a positive impact on the local communities in which we operate.

In 2022, we engaged with local communities and authorities, supported local initiatives and events, and set more specific targets for coming years.

As part of our Circular Economy approach (explained in the Product section), we are strongly committed to eliminating unnecessary single-use plastic packaging and designing reusable and compostable products that prevent waste. Nevertheless, single-use plastics are still widely used and often end up in nature where they do not belong. With our community outreach objectives, we hope to help al-

leviate plastic pollution and its impact in communities.

We plan to set up preventive solutions (e.g. education and technological strategies) and waste collection activities that will reduce plastic pollution and improve people's lives.

By the end of 2025, we expect each deSter location to contribute the following global targets:

- 100 hours pro bono work
- 1,000 hours volunteering work
- 1,000 people educated on avoiding plastic pollution
- 10,000 kg plastic waste collected
- 100,000 euro invested in innovative preventive solutions

COMMUNITY OUTREACH ACTIVITIES

As our community outreach goals around plastic waste prevention were still taking shape throughout 2022, we have yet to make notable progress on our targets. Nevertheless, we participated in many other community outreach activities. Here are a few highlights:



Local Allen County Fair

On August 20, 2022, deSter employees from our Lima factory (USA) volunteered to man a booth at the local Allen County Fair, where they served up milkshakes, fries, sandwiches, and smiles as they interacted with the local community.



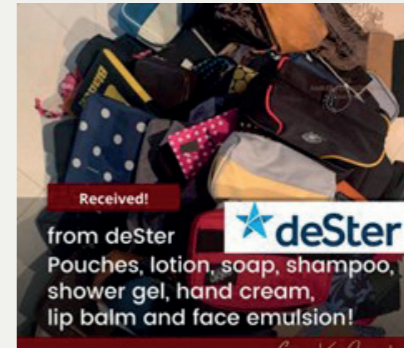
Earth Day 2022

As April 22, 2022 was Global Earth Day, we dedicated this day to increasing awareness about protecting our environment and taking action. We encouraged colleagues in Belgium and Germany to complete different eco-appreciation activities and share pictures to win prizes.



Reusable bottles and bags

Practicing the idea to "start with yourself", we gave all of our employees a reusable water bottle to reduce single-use plastic. By using the bottle, we hope to create awareness in our local communities, too. In our Thailand factory, employees also received a reusable bag to reduce the use of single-use plastic bags.



Donation to the Amber foundation

In 2022, deSter donated a large amount of unused airline amenities kits to the Amber Foundation, which in turn redistributed the supplies to local community organizations that support homeless individuals, women in shelters, refugees and the elderly in Hong Kong and Asia. The Amber Foundation also runs workshops to build a business network for ethnic minority women enrolled in local universities.

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REACH NET-ZERO CARBON

- 2025** Achieve 25% carbon footprint reduction across our entire value chain, compared to 2019
- 2030** Reach net-zero carbon across our internal operations
- 2050** Reach net-zero carbon across our entire value chain

AVOID WASTE, POLLUTION, AND PROTECT BIODIVERSITY

- 2030** Achieve net-zero waste across our internal organizations
- 2030** Contribute to reach 'Nature Positive' in 2030



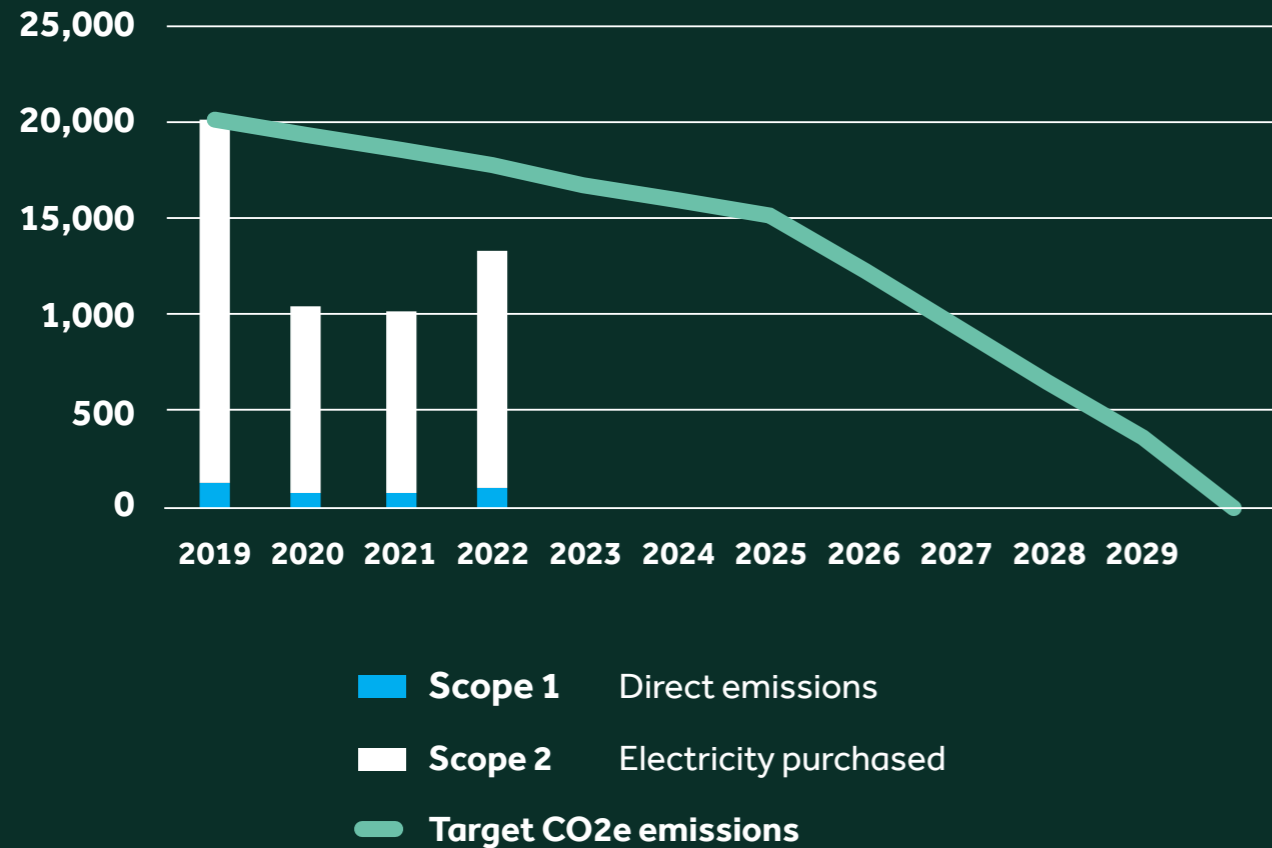
PLANET

From greenhouse gas emissions to waste and pollution, we are highly committed to reducing our impact on the environment. Introduced in 2022, deSter's Global Environmental Policy outlines our ambitions, approach, objectives and, most

importantly, how we intend to achieve our goals. In this section, we provide a detailed description of the goals we have set so far, the actions we took in 2022, and our plans for the near future.

DECLINE* IN OUR OPERATIONAL EMISSIONS

(SCOPE 1 AND 2)

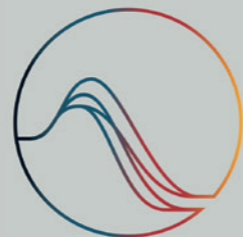


*the decline compared to 2019 is due to lower production volumes and energy efficiency measures



Scope 1 and scope 2 reported according to the **greenhouse gas protocol** and externally audited

COMMITTED TO SCIENCE BASED TARGETS



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



CONVERSION TO LED IN PROGRESS AT ALL PRODUCTION SITES

65% light consumption reduction with LEDs achieved at Belgian site



INVESTING IN ENERGY-EFFICIENT PRODUCTION

Continuous investments in new machinery with increased efficiency of 20-30% per machine



MAJOR ELECTRICITY SAVINGS DUE TO NEW TECHNOLOGIES

A paper board cutlery fork, for example, uses 62% less electricity compared to an average injection molding plastic fork

98%

EFFICIENCY ON PLASTIC AND FIBER MATERIALS PROCESSED AT ALL PRODUCTION FACILITIES



WATER CONSUMPTION

100% closed-loop water system installed in all production facilities to cool production processes



ALMOST 60% RECYCLED OPERATIONAL WASTE

Waste treatment methods implemented at all production facilities



INVESTMENTS IN WATER SAVING FIBER PRODUCTION TECHNOLOGIES



- Recycled | 59%
- Incinerated | 37%
- Landfill | 4%
- Digester | 1%



First goals defined on biodiversity

RISK ASSESSMENT AND TRAINING



GENERAL RISK ASSESSMENT

An environmental risk assessment was conducted to identify issues that could pose a potential risk on the environment, define the risk themselves, and outline additional actions needed. Handled by deSter's management team, the list of additional actions is reviewed quarterly in the leadership meeting. Furthermore, this assessment served as an additional materiality study to identify and prioritize the goals in our global environmental policy for the coming years.

The top risks outlined in the assessment include:

1. deSter contributes to global warming via GHG emissions
2. No clear waste management of products by customers
3. Energy availability
4. Material shortages
5. Lagging behind with environmental legislation

For most risks in the assessment, additional actions are necessary and need further investigation. Thirteen potential risks do not need additional action, such as water crises and climate migration, because they are out of our control or we already had suitable actions and policies in place. In the upcoming years we will update the assessment and further implement mitigation actions.

EMPLOYEE TRAINING

All colleagues must understand the environmental issues, potential consequences, and importance of acting. To embed this in our organizational values, we conducted several training courses and provided additional information.

During ESG community quarterly workshops with our ESG ambassadors (see section "Leadership and Governance - integrated ESG team"), the status and results of all environmental topics are shared and discussed in detail. The information and learnings are then further communicated by the ESG ambassadors within their teams.

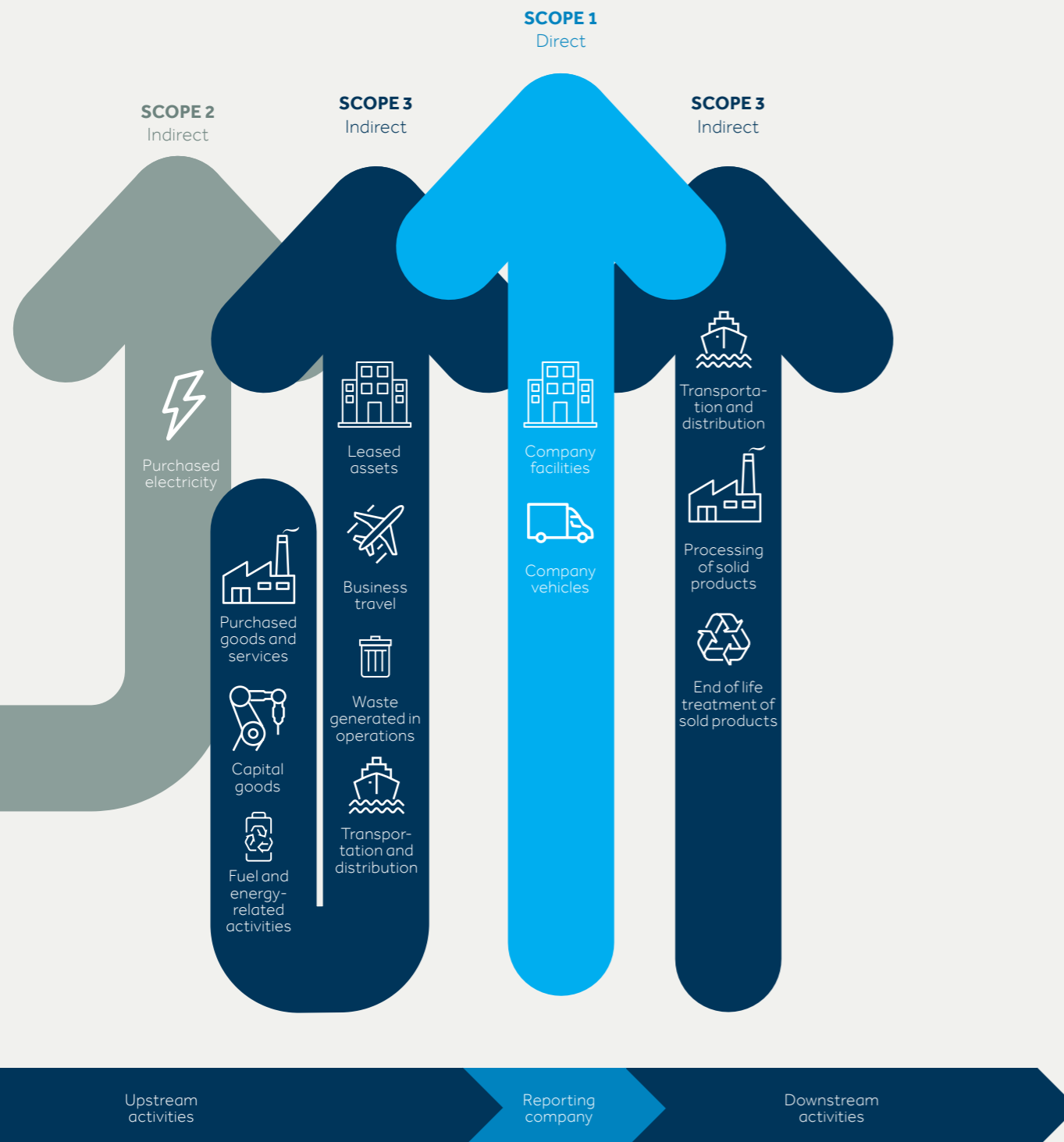
Next, we provided training on our new global environmental policy (the image on the left displays the list of topics) for all indirect labor employees via an online meeting. In total, 543 employees were invited, and 200 (37%) joined the online sessions. We also made the recordings available for all employees. In 2023, we will organize training sessions and share information with blue-collar workers.

Lastly, the ESG team themselves took several training courses to gain further knowledge on planet-related topics. Here are a few examples of the training topics and events in 2022:

- EcoVadis Academy Trainings:
 - Environmental policy
 - Greenhouse gas emission tracking and reporting
 - Water management
 - Waste management
- Sustainable Supply Chain School Trainings:
 - Action Sustainability Net Gain Webinar
 - Biodiversity Offsets in Theory and Practice
 - Science Based Targets – Sustainability Short

GHG PROTOCOL: EMISSIONS ACROSS THE VALUE CHAIN

CO₂ CH₄ N₂O HFC_s PFC_s SF₆



GREENHOUSE GAS EMISSIONS

The main risk that emerged from our environmental assessment was deSter's contribution to global warming through greenhouse gas emissions. We are committed to reducing these both on site and throughout our value chain. However, to act, we must first identify which of our activities generate greenhouse gas emissions. To calculate and report our emissions, we follow the Greenhouse Gas Protocol. According to this international standard, there are three different scopes for greenhouse gas emissions.

These scopes are described in more detail on the following pages. We calculate the previous' years emissions each January, when the data becomes available. The data from the production facilities are sent to the environmental footprint manager, who calculates the emissions using the GHG Protocol tool (for scope 1 and 2).

An external assessment was conducted by an auditor of DQS based on the calculations of 2022 GHG emissions. This assessment verified that our scope 1 and 2 emissions in 2022 at our production sites are in accordance with the Greenhouse Gas Protocol and the underlying data is correct.

We follow the operational control approach. This means our reporting considers all greenhouse gas emissions over which we have operational control. Group-level emissions (gategroup) are excluded here.

Our calculations of scope 1 and 2 cover our three manufacturing sites:

- Hoogstraten, Belgium
- Prachinburi, Thailand
- Lima, Ohio, USA

The included and excluded emissions are listed below:

Included scope 1: Direct emissions

- Stationary combustion: natural gas, liquified petroleum gas (LPG), and distillate fuel oil combustion on site at the three production locations.
- Mobile combustion: fuel use of the leased and owned company vehicles at the three production locations.
- Refrigerants: the leakage of refrigerants from the three production facilities.

Included scope 2: Indirect emissions

Electricity procured and consumed at the three production facilities.

Excluded emissions are:

- Scope 1 process emissions: does not apply to our processes.
- Scope 2: procurement of heat and steam: does not apply, we do not buy heat or steam.
- Scope 2: sold electricity, heat, or steam: does not apply, we do not sell any electricity to third parties.
- Scope 3 emissions: not yet calculated.
- Emissions from biofuel CO₂: these are calculated, but account for 0.03% of total emissions. This is well below the set threshold of 5%, so these are not reported separately.

OUR TARGETS

We aligned our targets with the Paris Agreement and the 1.5°C warming scenario. Therefore, we committed to Science Based Target initiative in January 2023 and plan to have our reduction targets validated by SBTi in the coming two years. This commitment enables us to set targets based on the latest climate

science and work toward them over time. Since we were able to create full transparency on our scope 1 and 2 emissions, our next step in preparing for SBTi validation is transparency on our scope 3 footprint, which we are currently working on.

What's more, as deSter, we became a member of the Belgian Alliance for Climate Action (BACA) in 2022. This non-profit supports us and other organizations across Belgium in reaching the Science Based Targets initiative commitments. With events, webinars, articles and a wide network, BACA helps companies in their journey to reduce their environmental impact and develop a carbon-neutral society.

Our greenhouse gas reduction targets are:

2023

Commit to SBTi and calculate our scope 3 footprint in line with the GHG protocol

2024

Validation of science based reduction targets 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 compared to 2019

2050

Achieve net-zero carbon in our entire supply chain. Scope 1,2 and 3



OUR EMISSIONS

Our emissions and reduction targets for scope 1, 2 and 3 are calculated annually using 2019 as a baseline, as this is representative of our activities before the pandemic. During the pandemic in 2020 and 2021, we encountered a tremendous decline in our operations, reflected by emissions reductions in 2020 and 2021. As shown in the graph below, our scope 2 GHG emissions are much larger than scope 1. Based on the average distribution of emissions and research data, we expect that scope 3 will account for roughly 90% of all GHG emissions. The expected distribution can also be found on the next page.

As further shown in the graph below, a decline is clearly visible in 2020, 2021 and 2022, compared to 2019. In the second graph, the line represents the reduction target line. A linear path to 25% reduction by 2025 and net-zero carbon by 2030, compared to 2019, is plotted with total scope 1 and scope 2 emissions. In 2022, we achieved a 34% reduction of GHG emissions compared to 2019. However, this is mainly due to lower sales volumes and hence lower output from our production compared to 2019. So, although we are currently ahead of our targets, as our sales volumes grow, it will be critical to

stay on track. The next chapters describe the measurements and actions on each scope.

SCOPE 1 GHG EMISSIONS

Measurements

deSter's scope 1 emissions have three different sources:

1. Stationary combustion
2. Mobile combustion
3. Refrigerants

The second graph on the next page shows the different shares of sources of scope 1 emissions for the 2022 data. Stationary combustion is the largest contributor, followed by refrigerants. The second graph shows the shares of total scope 1 emissions per production location. The site of Hoogstraten accounts for the most scope 1 emissions, which is deSter's biggest production site.

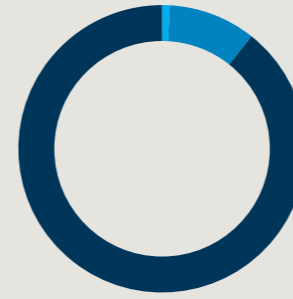
Actions

To lower scope 1 emissions, we are shifting to electric machines, vehicles, and heating and cooling systems. Over the past 6 years, we installed 11 electrical injection molding machines in Hoogstraten, which replaced old hydraulic

ones. When procuring machines or lines for our production facilities, we focus on fully electrical and energy-efficient ones. In Lima, our most recently opened production site, all machines are fully electrical. Second, at our headquarters, which has the largest share of the leased company cars, we are switching from diesel and gasoline to electric cars. From 2022, employees can only choose a plug-in hybrid or electric vehicle when leasing a new car. In 2023, we will implement a new policy that only allows fully electrical cars, so we can phase out non-electrical cars. Currently, in Belgium, 52% of our leased cars are hybrid or electrical. Further, all forklifts in Hoogstraten and Lima are electrical.

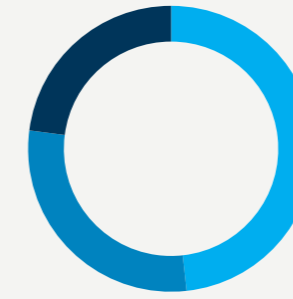
By installing electrical heating and cooling installations in Hoogstraten, we can reduce heating via oil and gas. Additionally, some areas of the Hoogstraten plant, like the warehouse, are no longer heated. This lowers the distillate fuel oil needed and brings the gas usage to zero for 2022. Meaning, we have achieved an overall decline in gas consumption across the three production sites. Additionally, for production areas, we use a heat recovery system that uses the heat generated by our air compression system to heat our production area, reducing our overall en-

EXPECTED SHARES OF GHG EMISSIONS



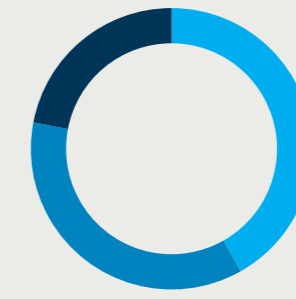
- Scope 1 | 1%
- Scope 2 | 10%
- Scope 3 | 89%

SCOPE 1 CATEGORIES



- Stationary combustion | 48%
- Refrigerants | 29%
- Mobile combustion | 23%

SCOPE 1 EMISSIONS: SHARE PER LOCATION



- Hoogstraten | 42%
- Prachinburi | 36%
- Lima | 22%

SCOPE 2 EMISSIONS: SHARE PER LOCATION



- Hoogstraten | 36%
- Prachinburi | 46%
- Lima | 18%

ergy usage. The cooling installations in Hoogstraten are closed-loop. We use the refrigerants repeatedly, and no emissions are caused by these processes unless a leakage occurs. An external, specialized firm checks the system annually to ensure everything is working well and there are no leaks. In Lima, new heating and cooling heat pumps were installed in 2022 in three split unit systems, which use 35% less energy for both heating and cooling.

the location-based method. This reflects the average emission intensity of the local electricity networks on which energy consumption takes place (using mostly grid-average emission factor data). Since deSter's production is mainly operated with purchased electricity, the scope 2 emissions are roughly 10 times larger than scope 1 emissions. However, looking at the total, scope 2 is expected to only count for 10% of the sum of scope 1, scope 2 and scope 3 emissions. Prachinburi generates the biggest share of scope 2 emissions. Although the Prachinburi plant has a lower electricity usage than Hoogstraten, the emissions are higher due to a more carbon intensive electricity supply of the Thai electricity network,

compared to the Belgian one.

Actions

Several actions and measures have been taken to lower electricity use and work more energy efficiently. We have elaborated further in the section on Energy.

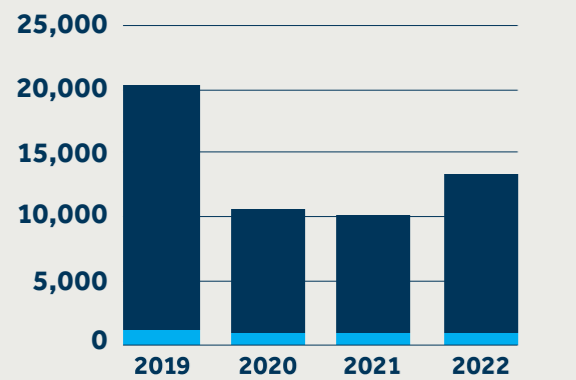
Key actions include:

- Investments in gradually renewing our machinery to increase energy efficiency
- Investment in modern technologies with lower energy consumption
- Reducing lighting and switching to LEDs

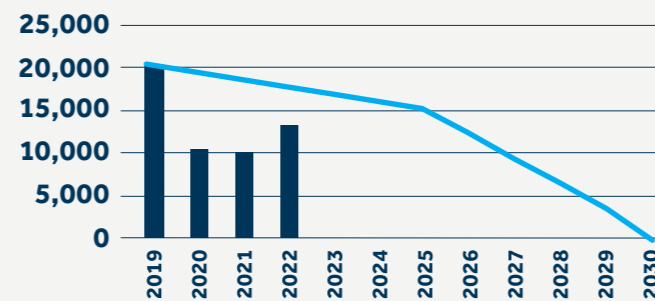
SCOPE 2 GHG EMISSION

Scope 2 emissions result from the electricity we buy and use on our sites. Our scope 2 emissions are calculated using

TOTAL CO2E (TONS) EMISSIONS AT OUR OF PRODUCTION LOCATIONS PER SCOPE



AHEAD OF TARGETED DECLINE IN CARBON EMISSIONS (TCO2) SINCE 2019 (SCOPE 1 AND 2)



It is also important to consider how the electricity is produced and strive for low or zero emission electricity. Therefore, we have made a business case to install solar panels at our Hoogstraten site, which is currently under review. In Prachinburi, the option to use solar panels will be investigated with the Provincial Electricity Authority of Prachinburi. Lima is not currently in scope for solar panels, because this building is leased. Additionally, we are investigating green electricity options for our manufacturing site in Belgium and will begin procurement in 2023 with a plan to gradually increase the share of green electricity each year.

SCOPE 3 GHG EMISSIONS

Measurements

In addition to the emissions we directly control in scope 1 and 2, it is even more important to track the indirect emissions caused by deSter. As we expect almost 90% of our total emissions to be caused by our scope 3 emissions, we are reviewing our entire supply chain to lower emissions during upstream and downstream activities and use our influence to create less carbon emission throughout.

We have started our calculations and analyses of scope 3 emissions from 2019-2022 and aim to finish in 2023. In terms of our approach, we first make an estimation based on financial data to identify carbon hotspots. This helps us determine which areas we should focus on, and which require additional calculations.

Actions

Although our calculations have not been finalized, we have formulated approaches and actions for the different categories most relevant to deSter. Here is an overview:

Purchased goods and services (category 1)

- deSter's environmental policy outlines our approach to responsible resource management. We strive to limit resource usage, use recycled resources, consider transport impact, and consider GHG impact into our procurement decisions.

- Our supplier code of conduct also includes environmental protection

Energy related emissions (category 3)

- Related to measures taken for scope 1 (stationary combustion and mobile combustion) and scope 2 (electricity)

Upstream transport (category 4)

- A 'Glocal' approach: deSter has offices and production sites in different parts of the world, such as Hoogstraten (BE), Lima (USA) and Prachinburi (Thailand). Our global presence enables a local approach and reduces the transport of goods
- Continuously work on an efficient transport supply chain
- Only use airfreight as last resort
- New tenders on ocean freight take sustainability into account
- Use the least amount of packaging, to reduce transport weight

Operational waste (category 5)

- Waste policy and actions (see further in the Waste section of this report)

Business travel (category 6)

- Online meetings, if possible, to reduce business travel. Only travel when it is necessary

Employee commuting (category 7)

- Employees have the option to work remotely when job requirements al-

low. Employees can choose to work from home up to three days a week, resulting in less travel

- Hoogstraten headquarters: we offer employees a bike-leasing program and a bicycle allowance (per km traveled) for those who cycle to work at least 50% of each month



End of life products (category 12)

- With our product strategy and Circular Economy approach, we work to reduce waste caused by our products and lower the impact of their end-of-life treatment (read more details in the Product section of this report)

ENERGY

OUR APPROACH

We aim to minimize and decarbonize our energy consumption on site. Energy consumption also relates to our GHG reduction goals because gas, fuel and electricity usage are part of our scope 1, 2 and 3 emissions. Energy availability and grey electricity supply are both important risks.

Our energy consumption targets:

2025

Hoogstraten: 26% electricity reduction compared to 2019, relative to production revenue

Prachinburi: 5% electricity reduction compared with 2019, relative to production revenue. New technology lines excluded

Lima: 10% electricity reduction relative to production revenue compared with 2021 relative to production revenue, compared to 2021

2030

100% of electricity from renewable sources.

Achieve net-zero carbon emissions in the energy we use (scope 1 and 2) by lowering our fuel and electricity use, choosing green alternatives, and offsetting remaining GHG emissions.

The graph on the previous page shows the current energy mix used in our production facilities. Electricity is used the most, accounting for 95% of total energy consumption. Looking at electricity consumption by location, Hoogstraten uses 59% of our total consumption. The third graph on previous page shows the total electricity consumption of our production sites since 2019.

Actions

Several actions address energy use. First, we strive to increase energy efficiency in our operations. To do so, we are gradually renewing our machinery. By investing in servo-driven machines in Prachinburi, we have increased energy efficiency by 30%. Over the past six years, we introduced eleven electrical injection molding machines in Hoogstraten and invested in a new extruder line, which requires 20% less energy consumption. In 2021 and 2022, we invested in three new drying machines in Hoogstraten, resulting in an estimated energy reduction of 25-30% per machine.

In another action step, we are developing and investing in new machines and technologies to manufacture our newly developed sustainable products. For example, we have replaced single-use plastic cutlery (which required injection molding machines) with paper board cutlery.

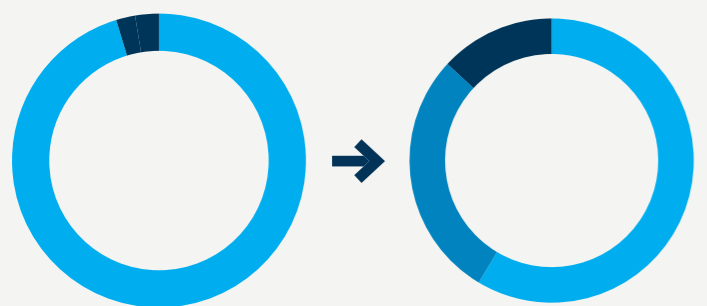
For this new line, we use energy-efficient servodriven machines that use minimal compressed air for big energy savings. As a result, one paper board cutlery fork requires 62% less electricity to produce.

Furthermore, we are changing our lighting. In Hoogstraten, the warehouse reduced light consumption by 65% by only illuminating the warehouse roads. Inside and outside production areas, we are replacing all TL lighting with LED. In Prachinburi, all external lighting was replaced with solar-powered LED lights. The lights also have sensors, so they only go on when needed. Prachinburi is switching to LED on indoors, too, having changed around 80% of its interior lighting so far. In Lima, LED lights have been installed in the manufacturing, maintenance, and office areas, with only the warehouse left to convert. Finally, in our offices, the lights are switched off outside of office hours. compared with a typical plastic fork.

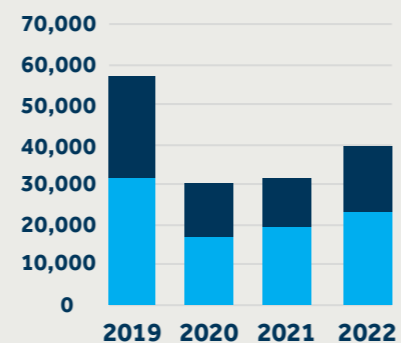


SHARE OF TYPES OF ENERGY

ELECTRICITY SHARE PER LOCATION 2022



ELECTRICITY CONSUMPTION IN MWH PER PRODUCTION FACILITY



deSter BV, Hoogstraten
deSter Co. Ltd, Thailand
deSter Corporation, Lima

Heating

Heating is also a consideration. In Hoogstraten, for example, certain spaces, like the warehouse, are no longer heated. We use heat generated by the air compression system and the chiller systems to warm some production areas, so there's little to no additional heating needed. In Lima, new heating and cooling pumps were installed in 2022 in three split systems, which use 35% less energy for both heating and cooling. Also, in Hoogstraten new electricity driven air-conditioning units were installed, reducing the need for heating via oil and gas.

As stated in the scope 2 of our GHG emission reduction targets, electrification is important, too. We are encouraging the use of electric leased company cars, manufacturing machines, and we also installed electrical heating and cooling systems in Hoogstraten. This makes it possible to reduce heating via the distillate fuel oil installations in the offices.

To increase efficiency and lower energy use, we conducted several analyses and audits on energy use, which help us make informed decisions about which actions will make the most impact. For example, in Hoogstraten, we identified some compressed air leaks in 2022, which led to considerable savings.

In addition to this, Hoogstraten has been using Sensorfact since the end of 2022. This measuring tool enables us to analyze specific machines, and from that data, take actions to lower energy use and increase efficiency.

To ensure alignment across locations and to learn from each other, we hold a monthly meeting to discuss potential and existing energy efficiency measures at the different production facilities. The Vice President of Manufacturing, Managing Directors of Prachinburi and Lima, Director Sustainability, Environmental Footprint Manager and local managers on maintenance and technical support are part of this meeting and discuss actions to solutions.

Green electricity

It is also important to move to renewable electricity, a business case on solar panels has been made for Hoogstraten and is currently under review. In Prachinburi the option of solar panels will also be considered, working together with the Provincial Electricity Authority. For the plant in Lima, this is not currently in scope, because we rent the building.

In 2023 we will start with the procurement of green electricity for the manufacturing location in Belgium, for which different options are being investigated. The plan is to gradually increase the share of green electricity procured.



WASTE MANAGEMENT

Approach

Waste mismanagement could lead to several risks, like pollution and high costs. To mitigate these risks, we have implemented an internal waste management approach based on the waste hierarchy of The European Union's Waste Framework Directive (1975/442/ EEC) (see graph).

The primary focus is 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 or recycled where possible
- The amount of waste that remains should be incinerated with energy recovery to divert from landfills
- We adhere to local requirements and only use landfills if regulations require it. In Prachinburi, local law states that certain types of waste need be sent to landfills. Yet our goal is to challenge the status quo concerning landfilling
- where needed .Where possible, hazardous waste should be avoided. If necessary, then any resulting waste should be collected and disposed of correctly.

Our waste management targets are:

2025

Hoogstraten: 10% waste reduction (in weight) compared to 2019, relative to production revenue

Prachinburi: 5% waste reduction (in weight) compared to 2019, relative to production revenue

Lima: 5% waste reduction (in weight) compared to 2021, relative to production revenue. No hazardous waste goes to landfill.

2030

Hoogstraten: 15% waste reduction (in weight) compared to 2019, relative to production revenue

Prachinburi: 10% waste reduction (in weight) compared to 2019, relative to production revenue. Only hazardous waste categorized by the Thai DIW and PH should go to landfill.

Lima: 10% waste reduction compared to 2021, relative to production revenue

2050

Net-zero waste across our internal operations

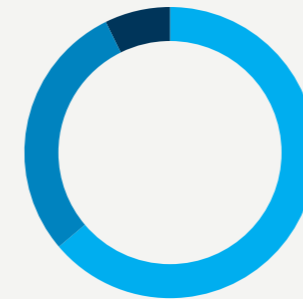
The distribution of total waste per manufacturing location is shown in the graph (right). Hoogstraten, responsible for the highest volume of products, has the largest share.

Looking at the percentage of different waste treatments techniques in 2022 at our three manufacturing sites, almost 60% of all waste was recycled. At Hoogstraten, no waste has been sent to landfills since 2020.

The second graph (right) shows the amounts of waste generated at our production locations since 2019. The Covid-19 pandemic's influence on production is evident in the years 2020 and 2021. In 2022, we saw 51% in waste reduction compared to 2019, the baseline year. The third graph shows the distribution of hazardous vs nonhazardous waste. Hazardous waste accounted for 9% of the 2022 total.

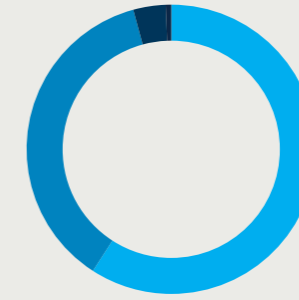


DISTRIBUTION OF TOTAL WASTE IN 2022 PER PRODUCTION FACILITY



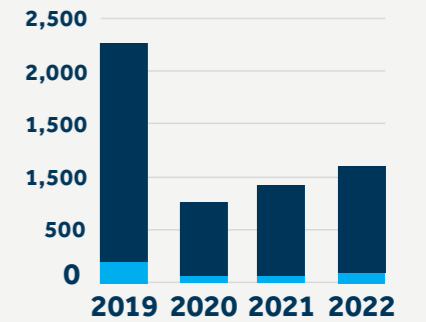
■ Hoogstraten | 64%
■ Prachinburi | 29%
■ Lima | 7%

OPERATIONAL WASTE TREATMENT METHODS USED AT OUR PRODUCTION FACILITIES IN 2022



■ Recycled | 59%
■ Incinerated with energy recovery | 37%
■ Landfilled | 3%
■ Digester | 1%

HAZARDOUS WASTE VS NONHAZARDOUS WASTE PER YEAR FOR 3 PRODUCTION LOCATIONS



■ Hazardous waste
■ Non-hazardous waste

Actions

To minimize internal waste and optimize resource use, we have introduced an internal regrinding process for plastics, making it possible to turn production waste (like plastic film) into pellets, then use these pellets to make new products. Our Dry Molded Fiber line currently under development in Hoogstraten uses a similar system to turn fiber waste into fluff material, which can be reintroduced in the same production process. These processes save resources and increase environmental benefits. We are proud to report a 98% efficiency in terms of fluff pulp resource use.

We are also setting up a system for re-using wet molded fibers from the paper board cutlery production process in another internal process. Since the wet molded fiber production is still getting underway, this reusing system will launch by the end of 2023. Next, our products are not mixed: we produce either plastic products or aluminum ones. Further, we have installed a magnet in certain machines to remove metal from plastic pellets and use sieves to prevent contaminants in our manufactured products. Furthermore, we strive to sort our waste as much as possible and create different streams that can be collected separately. These clean streams are

handled in the most appropriate way by an external accredited waste collector. In Hoogstraten, for example, there are 13 different waste streams being collected. To ensure our waste ends up in the correct bin, the information on waste sorting is added to our Safety Brochure for new employees. We strive

to make the separate waste streams as clear as possible in our Hoogstraten buildings with different colored containers, pictures and descriptions on each bin, so employees can easily find the correct one. The pictures (left) depict some of our bins and waste streams in Hoogstraten.



Waste management hierarchy

MOST FAVOURED OPTION

AVOID WASTE

RE-USE

RECYCLE

RECOVER ENERGY

TREAT (HAZARDOUS WASTE)

LANDFILL

LEAST FAVOURED OPTION

WATER MANAGEMENT

Approach

deSter has committed to sustainable water management at our facilities. We defined three different risks related to water in our environmental risk assessment. Our approach currently focuses on efficient water use and reducing pollution in our manufacturing locations.

Our water management goals:

2025

Hoogstraten

Reduce water usage by 10% compared to 2019 water usage, relative to production revenue.

Reduce suspended solids in wastewater by 15% compared to 2019, relative to production revenue.

Reduce inorganic chlorides in wastewater by 15% compared to 2019, relative to production revenue.

Reduce nitrites in wastewater by 10% compared to 2019, relative to production revenue.

Prachinburi

Reduce water usage by 10% compared to 2019, relative to production revenue.

Lima

Currently out of scope due to low water usage.

Measurements

Water usage at our different production locations varies greatly, as shown in the graph. Prachinburi consumes the most water, accounting for 86% of total consumption across the three production locations.



Actions

Regarding water usage, we developed a novel Dry Molded Fiber technology, which can manufacture fiber-based packaging products using 99% less water compared to existing Wet Molded Fiber technology. Our Dry Molded Fiber technology is under development, and deSter is leading our industry with the first operational pilot line installed in Hoogstraten.

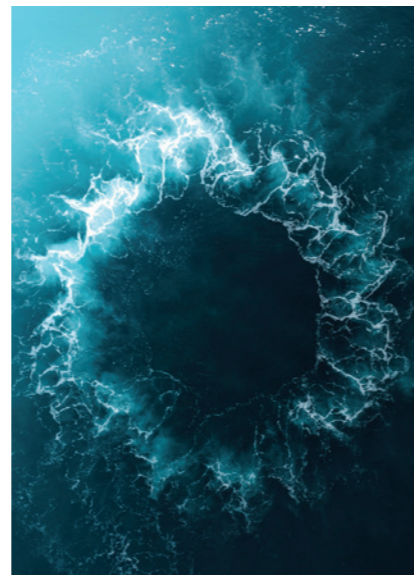
Beyond investing in this novel technology, deSter is also installing a new Wet Molded Fiber line in Prachinburi in 2022-2023 that works with a closed-loop system. This type of system is capable of reusing water repeatedly but requires the water to be replaced and machines cleaned after a certain point. To mitigate this, we plan on installing a water-cleaning system that extends the water's reuse and avoids waste. We will measure this step's savings once the production line is operational.

Another reduction in our production processes comes from the new paper cutlery (PBC) technology, which uses 98% less water compared with the plastic equivalent. One paper board cutlery line is operational in Hoogstraten, replacing single-use plastic cutlery.

Further, we have installed a closed-loop water system at all three production facilities to cool our production processes. Reducing water usage up to 99%, the system enables us to use water repeatedly for cooling and only lose water due to evaporation.

To reduce freshwater consumption further, we introduced a rainwater basin a couple of years ago in Hoogstraten, which stores over 850 cubic meters of water for the cooling system. Additionally, most of Hoogstraten's toilets use rainwater from this basin instead of fresh water and use sensors to reduce water waste from unnecessary running.

Another important topic is deSter's compliance with water pollution regulations. More information on this can be found in the section of Manufacturing Pollution.



JOPPE BROSENS
AND VIKTOR SEUNTJENS
R & D

CHEMICALS

Approach

deSter also commits to limit the impact on the environment and human health of its chemicals used throughout its own operations. Our overall approach is as follows:

- 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 nonharmful alternative.
- Apply the appropriate waste management principles at the end of a chemical's life (reference to the waste hierarchy in the Waste Management section of this report)
- Keep an up-to-date quality dataset of all chemicals (such as lubricants and cleaning agents) per production location
- All materials we buy to make our products must hold safety data sheets (SDS) and align 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.

Chemicals in the production process:

- 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 potential exposure to employees and the environment.
- Protective practices and equipment are available and in common use. To minimize the potential injury of any employee in case of exposure to hazardous chemicals.
- Safety procedures are in place, clearly posted and trained
- Chemical waste is always separated and treated by an external accredited waste treater.

Actions

All chemicals are held in a database per facility. ChemDirector is an inventory tool developed by Group IDEWE and helps to plan and implement chemical prevention. It provides a structured up-to-date overview of the chemical agents used at deSter Hoogstraten, which can be managed and updated quickly. An inventory of all chemical products and substances present at deSter, is a necessary first step in the prevention policy. This inventory can enable correct risk analysis and enable us to draw up appropriate prevention measures.

We continuously work on reducing the amounts of chemicals we use and switching to less harmful alternatives. For example, in Hoogstraten in 2022, 18 substances have been replaced by eleven more environmentally friendly and less harmful alternatives in 2022.



POLLUTION

We strive to reduce the pollution caused by our production processes and our products at the end of their lives. For deSter, air, land, water, and litter pollution are the most important forms of pollution to consider. Here, we discuss the stages in which pollution may occur during manufacturing process or the product itself.

Our manufacturing and product pollution reduction targets:

Air pollution

- Goals on greenhouse gas emission reductions in scope 1, 2 and 3 (see above)
- 2025: specific targets for Hoogstraten manufacturing site:
 - Lower VOCs emitted by 40% compared to 2019, relative to production revenue
 - Reduce NOx emissions by 50% compared to 2019, relative to production revenue
 - Reduce SOx emissions by 50% compared to 2019, relative to production revenue
 - Manufacturing pollution
- Goals of Circular Economy approach for products (see Product section)
- Goals of waste management production facilities (see above).

- 2023: At Lima site, implement a local pollution emergencies procedure
- 2025: specific targets for Hoogstraten manufacturing site:
 - Reduce suspended solids in wastewater by 15% compared to 2019, relative to production revenue
 - Reduce inorganic chlorides in wastewater by 15% compared to 2019, relative to production revenue
 - Reduce nitrites in wastewater by 10% compared to 2019, relative to production revenue

MANUFACTURING POLLUTION

In the environmental risk assessment, all pollution-related risks were assessed. We concluded that they do not need additional action because we already have sufficient measures in place. Below, find an overview of these actions and measures at our manufacturing sites.

Air pollution

By reducing greenhouse gases, air-conditioning emissions, and fossil-based energy sources, we successfully decrease air pollution created by our production

facilities. For example, an external firm checks Hoogstraten's air-conditioning system for leaks annually and makes repairs as needed to lower emissions coming from refrigerants. More details on these approaches and actions can be found in the preceding sections on greenhouse gas emissions and energy. Also, our efforts to achieve zero waste (outlined in the chapter on Waste Management) helps to reduce air pollution.

We have taken actions to reduce the emissions of volatile organic compounds (VOCs). Our main source of VOCs is the manufacturing of polystyrene (PS) products. Since we are phasing out PS products, VOCs emissions are decreasing at the same time. As show in the graph on the left, a decline in global sales of PS products from 2019-2022 correlates to lower VOCs during the same period (see graphs below).

NOx and SOx emissions relate to the combustion of natural gas and heating fuel on site. We eliminated natural gas consumption in Hoogstraten in 2022, while heating oil consumption also declined compared to 2019. Additional measures needed on NOx and SOx will be evaluated in the coming years.

Concerning dust and particles, we carry

out a risk analysis including visual exposure to dust every time a new line is introduced or put into operation in Hoogstraten. From that risk assessment, we take necessary measures to contain dust in our manufacturing process. For example, we installed an HVAC (Heating, Ventilation and Air-Conditioning) system including air filters when introducing our Dry Molded Fiber line.

Water pollution

We follow water pollution regulations. In Hoogstraten, we conduct an annual, five-day measuring campaign to analyze and compare our wastewater with legal requirements. In 2022, the report concluded that pollutants were well below the legal thresholds. Additionally, in 2022, Hoogstraten's tap water was analyzed and found to be compliant with local regulations on potable water. Even though these numbers are lower than the legal requirements, we set targets to reduce certain pollutants in the wastewater of Hoogstraten. Over the coming years, we intend to research which steps can be implemented to further lower our numbers and reach our targets. For example, we have installed an oil-water separator in Hoogstraten to separate excess oil from water and ensure it's not disposed of in the environment.

Our Prachinburi plant also conducts annual water tests, and the 2022 results showed all measurements were below the guidelines or legislation. In Lima, deSter holds a 'No Exposure Certification' for conditional exemption from the National Pollutant Discharge Elimination System (NPDES). This certification means deSter Lima does not cause pollution via stormwater discharge runoff, because all industrial activities and products are sheltered.

Sound pollution

We have several measures in place to lower sound pollution. First, the latest machines installed at Hoogstraten must have a sound level below 85db to guarantee the safety of our employees and reduce environmental noise. Hearing protection is always available at our production locations to ensure the staff is protected. The internal noise levels were also checked by an external partner. The results show compliance and,

in certain areas the need for earplugs, which are available for everyone entering the production area. In Prachinburi, we also conducted a noise analysis of the machines in 2022 and created a noise contour map. In our Lima manufacturing facility, a noise analysis in the production area was conducted in 2021.

Lastly, we have taken proactive measures to reduce workplace noise even further. For example, in Hoogstraten, we invested in special equipment that reduces the noise of a grinding mill by 10db.

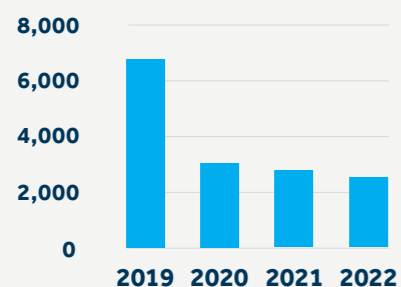
PRODUCT POLLUTION

It is important to consider the potential pollution caused by the products we manufacture. This extend to the materials we source, our product design, a focus on reusable or compostable products, and exploring closed-loop recycling practices. The biggest reduction in pollution can be achieved by focusing on our Circular Economy goals (see the Product section of this report). Using this framework, we avoid products ending up as waste and reduce their negative impact on the environment. Furthermore, we comply with REACH requirements and European Union directives and legislation on single-use plastics, packaging and packaging waste. Pollution caused by our products is a risk we can only indirectly influence. Nevertheless, deSter strives to reduce it through various actions on the product side, described in the Product section of this report.

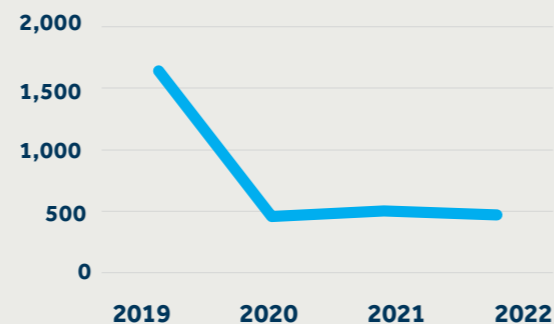
PLASTIC POLLUTION PREVENTION – LOCAL COMMUNITIES

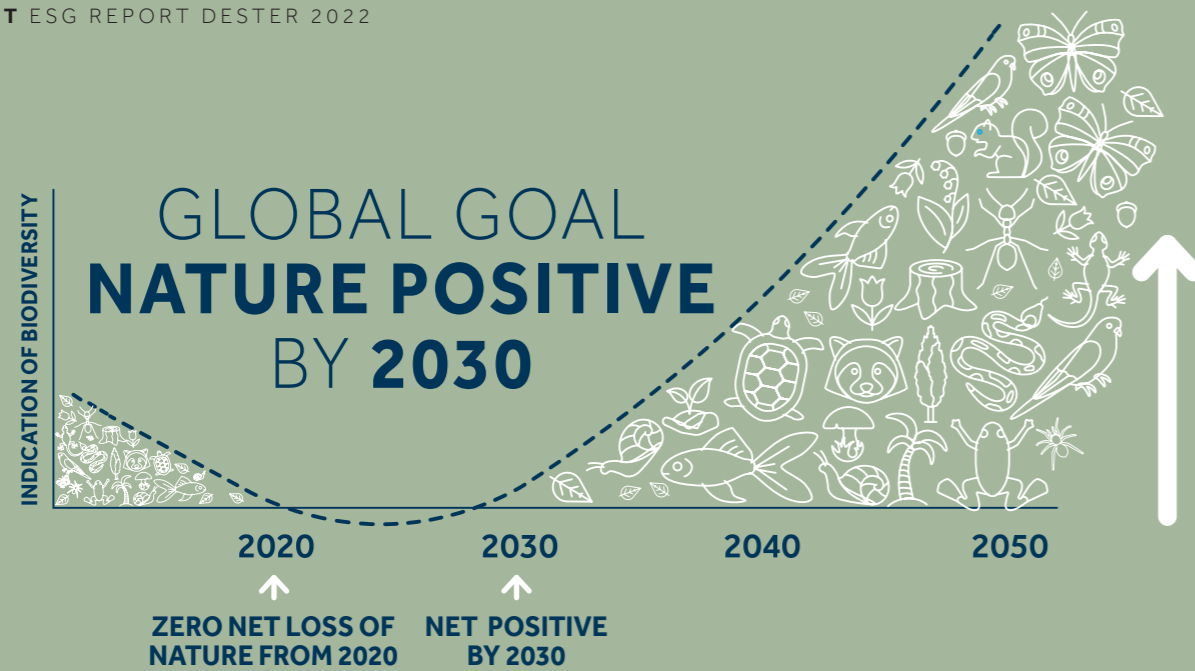
Aside from our own operations and the products we sell, we want to help avoid the impact of plastic pollution globally. To do this, we plan on reaching out to local communities (e.g. schools and community organizations) in the areas surrounding our operation sites. Working together, we hope to collaborate on preventative actions, including awareness, education, and waste collection actions, that will reduce plastic pollution and improve the lives of locals. See further information in the People section of this report.

REDUCTION OF POLYSTYRENE
-63% COMPARED TO 2019
(TONS)



VOC (KG) HOOGST RATEN





BIODIVERSITY

Biodiversity represents the total variety of all life on earth. The more biodiversity, the more secure all forms of life will be, including humans. But currently, our planet's biodiversity is under huge pressure.

Approach

At deSter, we want to understand how we impact biodiversity, and strive to achieve a nature-positive model by 2030 (see graph).

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 antipollution actions directly influence the first and fourth categories. Meanwhile, our responsible resource use reduces resource exploitation, and shrinking our carbon footprint alleviates climate change.

We take an integrated approach, for example, measures taken on one topic should avoid negatively impacting another related issue, and preferably, should be beneficial for multiple issues

at once. In our environmental risk assessment, we found that deSter needs to take additional actions to lessen the risk of biodiversity loss.

We plan to identify where we can make the biggest contribution in the coming years, and in the meantime, have already started taking smaller steps to reduce pressure on biodiversity at our sites.

Actions

In 2022, we focused on better understanding the topic of biodiversity and how we can contribute to the naturepositive goal as a company. Through training and research, we are becoming more familiar with these issues. In 2023, we plan on taking the first actions.

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

Roll out an initial pilot project at one of our production sites to enhance local biodiversity, working with local stakeholders and organizations

2025

Implement local biodiversity actions at all manufacturing locations based on knowledge based on knowledge obtained from the pilot project



PRODUCT

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PRODUCT

CHAMPION CIRCULAR ECONOMY AND USE RESPONSIBLE RESOURCES

Our progress in product development and the introduction of innovative and sustainable solutions has been well received by our customers. In recent years, we have taken important steps in implementing the principles of the Circular Economy in our product portfolio in order to prevent our products from generating waste and to reduce the risk of them ending up in nature. For example, starting in 2020, we have only introduced new products that are either reusable, recyclable

or compostable. Our goal is to be fully circular by 2030. In addition, we prioritize the use of responsible and sustainable materials, because making physical products requires the extraction of raw materials. Moreover, we continuously improve the quality of our products to ensure safe and healthy products. In this section, we highlight the targets we have set and present measurements of our progress towards sustainable products in 2022.

CHAMPION CIRCULAR ECONOMY	2020	Since 2020, we have only launched new products that are reusable, recyclable or compostable
	2025	All products are either reusable, recyclable or compostable, with unnecessary single-use plastic phased out
	2020	100% of our products create zero waste and we only sell products with guaranteed circularity
RESPONSIBLE RESOURCES	2025	We work exclusively with responsible resources and sustainable materials
REMOVE PFA	2025	Remove all added fluorinated compounds from packaging materials beyond regulation requirements



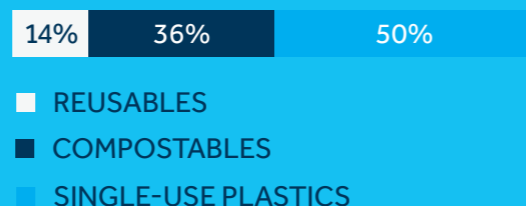


51%
SUSTAINABLE
PRODUCTS VS
TOTAL REVENUE

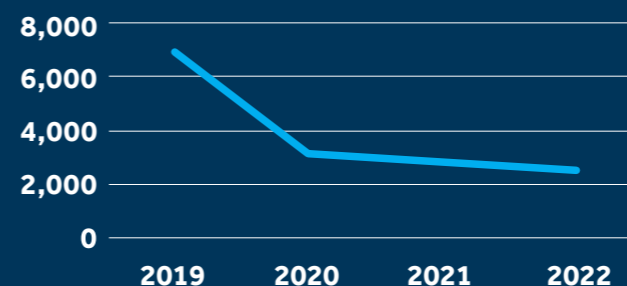


FOOD PACKAGING
REVENUE **REUSABLES**
AND **COMPOSTABLES** VS
SINGLE-USE PLASTICS

2022



**63% REDUCTION OF
POLYSTYRENE**
COMPARED TO 2019

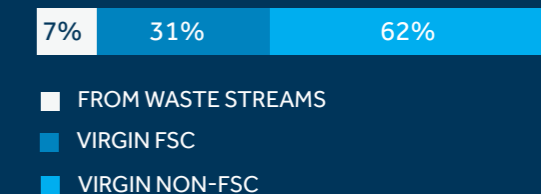


**3 CLOSED-LOOP
CUSTOMERS
TRANSITIONED
TO CLOSED-LOOP
RECYCLING
OF REUSABLES**



**SOURCED FIBER MATERIAL
FOR FOOD-CONTACT
PRODUCTS**

2022



40%
**RECYCLED PLASTICS
VS TOTAL VIRGIN
RECYCLABLE PLASTICS**



38% Reduction in
single-use plastics
(compared to 2019)

COMPOSTABLES

Successful launch of
in-house developed
paper cutlery, with
investment in newly
developed production line



REUSABLES

Launched fully reusable
economy class
tableware with **Etihad**

Launched reusable
tableware with
McDonald's France



OFFICIAL FSC
CERTIFIED
PRODUCTION
PLANTS
BELGIUM AND
THAILAND

33% FSC
certified
products



**ONLY 0.13
COMPLAINTS
PER 1,000
PRODUCTION
HOURS**



Based on the circular economy principles of the Ellen MacArthur foundation and the world wide waste hierarchy

SUSTAINABLE PRODUCTS

OUR CIRCULAR ECONOMY APPROACH

Zero waste strategy

Increased awareness of our environmental impact and a worldwide trend towards single-use plastic packaging regulations have led to increased demand for sustainable products from our customers, employees and stakeholders. These factors, combined with our internal environmental ambitions, have motivated deSter to accelerate its sustainable packaging plans in recent years.

Our approach is based on Circular Economy principles, which follow the new plastics economy movement pioneered by the Ellen MacArthur Foundation, as well as the various initiatives of the European Union (e.g. the European Single-Use Plastics Directive (SUPD) and the European Packaging and Packaging Waste Regulation (PPWR)). In a nutshell, it's about moving from a linear economy to a circular one that avoids waste altogether. In our Design and

Development, we focus on three pillars following our zero-waste strategy (see model):

- 1. Eliminate and reduce.** We balance customer experience and sustainability by working with our clients to judge where products can be reduced or removed entirely. We strive to limit the number of materials used.
- 2. Reusable items for (closed-loop) recycling.** Replace single-use items with reusable products and introduce them into a closed-loop recycling scheme later. This entails the development of reusable products and systems to make reusability possible. Produce reusables preferably from recycled or renewable materials. And lastly, the development of closed-loop recycling schemes.
- 3. Single-use plastic-free items.** Where reusable items are not fit for purpose yet, we develop and offer single-use plastic-free items for organic composting and recycling. By organic composting, resources are returned to the soil as nutrients.

With organic composting we focus on home composting, and specifically avoid industrial composting or the use of industrial compostable materials. By recycling, the material is recovered and used again. We strive to make those products from recycled or renewable materials.

Single-use plastic packaging is only used under one of the following conditions:

- When reusables are not yet possible
- When they ensure a long preservation of food
- When they are made of recyclable materials
- And when guaranteed that they will not end up in nature.

OUR CIRCULAR ECONOMY TARGETS

2020

Since 2020, we have only launched new products that are reusable, compostable, or recyclable

2025

All of our products are reusable, recyclable or compostable. We are phasing out unnecessary single-use plastic products by eliminating or replacing them with reusable or compostable alternatives. We actively work with our customers to adopt closed-loop recycling processes.

Phasing out products made of polystyrene

2030

100% of our products generate zero waste. We only sell products with a circular end-of-life scenario getting cut off



0 weeks



1-2 weeks



2-3 weeks



4-5 weeks

Meanwhile, the functionality and quality of our products ensure a long lifetime and good experience for the end-user.

- For our reusable items, we optimize our designs and select the right materials to ensure maximum durability. We also analyze the lifecycle of launched products whenever we can to further improve them.
- We optimize the stacking height of our products to limit secondary packaging and to lower the transport volume.
- Our products do not expose the environment or the end-user to any harmful substances. We ensure that products meet all statutory safety requirements under European or national law. (See further details about health and safety in the section on Product Quality and Safety.)
- Our products are developed to protect their contents, such as food, beverages and cosmetics. In doing so, we limit waste from damage or spills.
- We place a logo indicating the type of plastic used on our individual products, providing transparent information to the end-user about the product's end-of-life.

These practices have been embedded in our product development approach for many years. We consult with everyone, including caterers, crews, restaurateurs, product experts, engineers, manufacturing teams and supply chain stakeholders to ensure that our designs are optimized down to the finest detail before they head to production. To best serve our clients, we strive to offer them the most sustainable options, considering a product's life cycle. On request, we calculate each product's carbon impact, draw comparisons between options, and analyze what best suits the customer. a product, make a comparison between different options, and analyze what best suits the customer

PRODUCT DESIGN AND LIFECYCLE MANAGEMENT

We strive to limit our products' impact on the environment during design and development. We design most of our products in-house and follow the latest technological developments to have safe, functional, durable and ergonomic products that save weight and space, while making work processes simpler, smoother and faster.

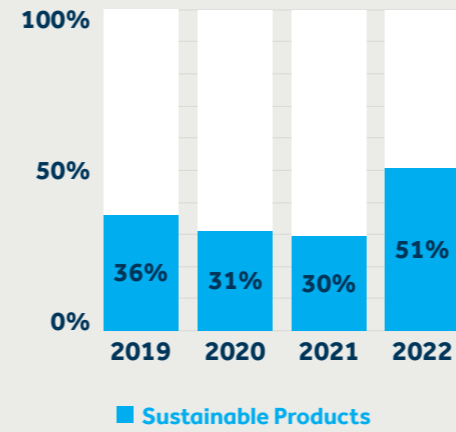
How we limit the environmental impact from using our products:

- We strive to find the perfect balance between a product's functionality and weight. Lightweight products require fewer materials and create less emissions during transport.

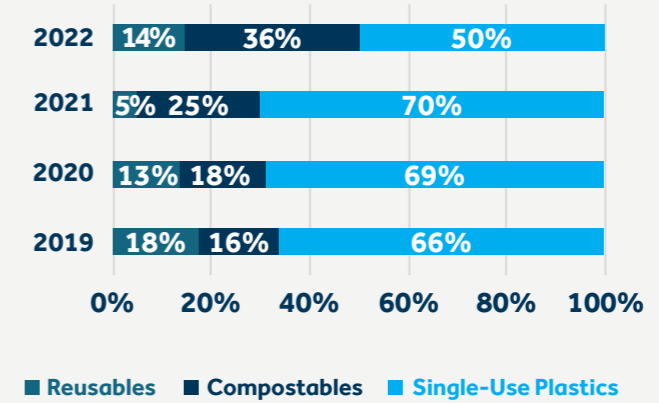


NONA PATTISELANO
PRODUCT DESIGNER OF THE REUSABLE PIZZA BOX CONCEPT

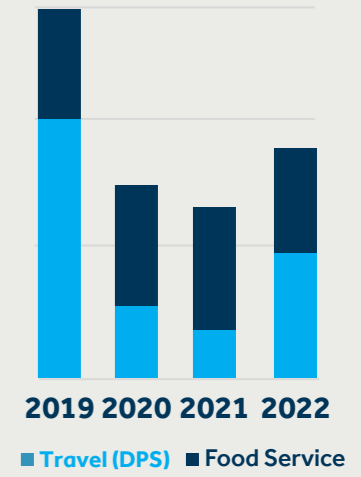
% SUSTAINABLE PRODUCTS VS TOTAL REVENUE



% FOOD PACKAGING REVENUE REUSABLES AND COMPOSTABLES VS SINGLE-USE PLASTICS



WEIGHT OF SINGLE-USE PLASTICS (TONS) -38% COMPARED TO 2019



SUSTAINABLE PRODUCTS MEASUREMENTS

Currently 51% of deSter's revenue comes from sustainable products. This upward trend, compared to 2019, is the result of the ongoing development efforts and investments related to introducing reusable and compostable products to our markets. During the pandemic, our management continued to invest in developing sustainable products, defined as compostables and reusable plastic, premium tableware, and comfort items. Equipment service sales are not included in this data for now.

When it comes to shifting our food packaging products towards our Circular Economy ambitions, we see clear

growth in compostable packaging compared with other product groups. Furthermore, we are using less single-use plastic packaging and, although there's been a slight decline in the percentage of reusable packaging in the total product mix compared to 2019, we have seen an upward trend in new developments, market demand, and shifts in regulations related to reusable packaging since the pandemic. Zooming in on single-use plastics sold, we have seen an overall reduction of 38% since 2019, with the largest decline coming from our Travel Direct Product Sales. Our efforts to phase-out single-use plastics and replace them with sustainable alternatives are the primary reasons behind the decline, but it is also partially related to sales recovery in our markets.

Reusable products and closed-loop recycling

In 2021, we received EFSA approval to conduct closed-loop recycling of inflight tableware, proving our expertise and knowledge in this field. With this clearance, deSter the first and only partner in the aviation market to carry out food-contact-safe closed-loop recycling for plastic tableware – a concept we introduced KLM's Economy class tray, with KLM playing a pioneering role.

In 2022, three more major airlines, including Etihad, have confirmed plans to further integrate reusable products, such as tableware, and adopt a closed-loop system. More details about these projects can be found in the section on 2022 sustainable product highlights.

PROMOTION OF CIRCULAR ECONOMY PRINCIPLES

TO OUR CUSTOMERS

We actively promote environmentally friendly products and services by:

- Holding co-development workshops with our customers, where we generate ideas, design and create products based on their needs
- Phasing out single-use plastic packaging by no longer offering them to our customers
- Offering reusable products while working on the underlying systems and technologies (eg., washing systems, leasing models, equipment management systems, RFID tracking) to ensure our products can be used effectively
- Supporting customers with closed-loop strategies. For example, we help customers collect products and return them to our production sites where we can use them to reproduce the same type of product.

- Keeping our customers informed about upcoming legislation banning certain products and finding suitable alternatives. We also label all products with corresponding recycling codes so end-users can dispose of them properly.
- Offering equipment services, where we manage the products and supply chain on behalf of our customers in a sustainable way. This makes it all the more important to create sustainable products that can be used for as long as possible.

TO THE TRAVEL AND FOOD SERVICE MARKET

Besides workshops with our customers on improving their sustainability, we also promote Circular Economy principles in relation to packaging for our Travel and Food service market. deSter is often invited to interviews or events to share our sustainable packaging vision. Here are some highlights:

Taste of Travel Theater

We were invited by Onboard Hospitality magazine to participate in a session during Taste of Travel Theater at the

World Travel and Catering Exhibition (WTCE) 2022 in Hamburg. Philippe De Naeyer, our Director Sustainability, spoke about our sustainable on-board dining equipment, reducing waste and creating exceptional passenger experiences.

Foodservice Alliance

The Belgian Foodservice Alliance is the largest foodservice organization with members from all segments of the industry. During a packaging conference, Filip Fransen, our Category Director Food Service, joined a panel discussion to talk about changing legislation and the need for companies to plan for upcoming changes.

Sustainable Flight Challenge

On May 7, 2022 two special KLM Royal Dutch Airlines flights took part in the Sustainable Flight Challenge, which challenges participating airlines to find the most sustainable way to operate a single flight in their network. As one of KLM's partners, deSter was proud to contribute with our sustainable service ware solutions onboard.

RESPONSIBLE RESOURCE USE

BY 2025, WE WILL ONLY WORK WITH RESPONSIBLY SOURCED AND SUSTAINABLE MATERIALS

In addition to keeping our products from ending up in landfills, (see section on Sustainable Products) we are also working to source materials for our products that minimize negative impacts on biodiversity, climate change and society. We look at the impact of how each material is extracted, created and transported to understand its overall environmental impact.

Our approach to responsible resource use

- Use materials that fit our Circular Economy approach by limiting resource at onset, and choosing recyclable or organically compostable options
- Where possible, use recycled materials and materials based on renewable resources
- Avoid illegal extraction of resources, such as illegal forestry
- Use materials with the lowest CO2 impact from a lifecycle perspective
- Ensure that our materials meet all statutory environmental and safety requirements under European or national law, including regulations such as the EU Single-use Plastic Directive and the Packaging and Packaging Waste Regulation
- Ensure our sourced products are ethically produced, covered through our Supplier Code of Conduct, where we focus on the UN guiding principles and the

fundamental principles of the ILO (International Labor Organization)

In addition to these general approaches, we have a more specific strategy for sourcing plastic- and fiber-based raw materials as described below. Additional actions on material efficiency during production can be found in the section of Planet/Waste Management.

RESPONSIBLE USE OF PLASTIC

Our approach and targets

- Use recycled plastic materials where possible
- Decouple plastics from oil. Use renewable resources when financially reasonable and environmental benefits are more favorable compared to fossil fuel-based counterpart
- Use plastics with the lowest CO2 impact considering creation, weight, transport, production, usage and end-of-life
- Since 2020, we have been phasing out polystyrene plastic material with an aim to eliminate it completely by 2025. This step is due to a lack of efficient recycling technologies available for this group of polymers and their emission of Volatile Organic Compounds

Plastic material measurements

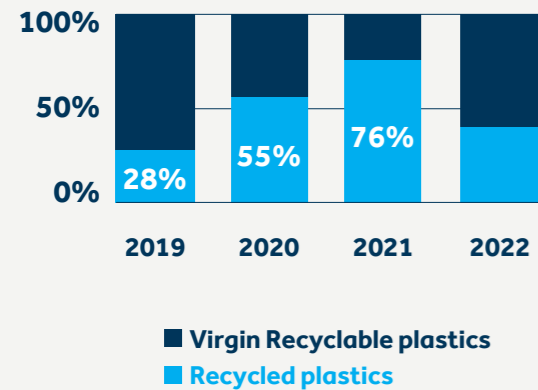
In the section on sustainable products and sustainable product metrics, we reported a decrease in plastics products sold. Looking at the number of recycled plastics sold, only recycled PET (rPET)

can be used as a recycled plastic material, since our products are intended for food contact. Therefore, we measure our performance by comparing the total amount of recycled plastics (rPET) used with the total amount of rPET used (i.e. rPET versus Virgin PET and rPET combined) in line with our strategy to use recycled materials where possible. The amount of recycled material from our closed-loop recycling of products is currently low and not yet measured.

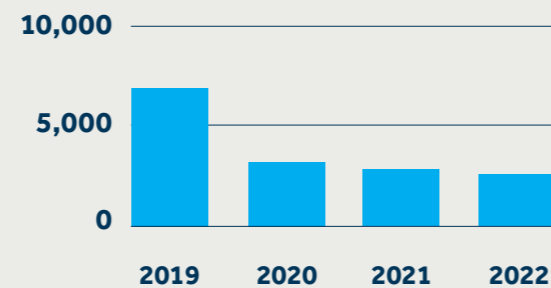
In 2022, the total amount of rPET was 40% compared to the total amount of PET material, marking an increase compared to 2019. In 2020 and 2021, the percentage of rPET versus the total PET used was higher. The higher percentage of rPET material is explained by the fact that during the pandemic, most customers in the food sector continued to order rPET material, while many customers in the aviation sector showed a huge drop in ordering products made of Virgin PET material.

Starting in 2020, we have been phasing out PS material by replacing PS with alternatives and ceasing sales of PS products. The graph shows a 63% reduction in 2022 compared to 2019. We are well on track to meet our target of completely moving away from PS material by 2025.

% RECYCLED PLASTICS (RPET) VS TOTAL RECYCLABLE PLASTICS (RPET + PET)



REDUCTION OF POLYSTYRENE (PS) -63% COMPARED TO 2019 (TONS)



FIBER, PAPER, AND CARDBOARD RESPONSIBLE RESOURCE USE

Approach and targets

- Utilize recycled fiber for non-food contact packaging, such as the secondary packaging containing our products
- For food contact and ovenable applications, only virgin fibers can be used under the following guidelines:
 - If available, we use virgin fibers from by-product or waste streams. However, these fibers are shorter and may need to be mixed with longer virgin fibers
 - We always aim to offer FSC-certified virgin fibers and increase the use of FSC-certified resources in our portfolio. This ensures that the fibers are being harvested according to the highest standards.
 - If FSC is not possible, we aim to source virgin fibers from the EU, as they generally comply with the EUTR (European Timber Regulation) prohibiting illegal forestry. When sourcing outside the EU, we work with our suppliers to comply with the EUTR.

Fiber, paper, and cardboard materials measurements

For all non-food contact packaging, we have used only 100% recycled resources since 2021. For our food-contact products, you can see from the graph below that the percentage of fibers used from waste streams and FSC virgin fibers are increasing. Wet molded items, a product group expected to grow in the coming years, are the primary driver behind the uptick in products containing fibers from waste streams.

Looking at the evolution of using virgin fibers from FSC and non-FSC sourced materials, we have seen an increase of FSC-sourced materials in recent years. Currently 33% of the materials we use are FSC-certified. We expect this number to increase in the coming years as we offer FSC-certified materials in our new products and work with our customers to replace existing products to those made with FSC materials.

FSC certification

Since 2018, deSter holds the official FSC Chain-of-Custody certification for our factory in Belgium. In 2020, we also obtained this FSC certification for our Thailand factory. Furthermore, deSter holds a company-wide FSC certification, assuring that we meet the highest environmental and social standards. This applies not only

to the fibers we source from sustainably managed forests, but how we manufacture our products, too.



PRODUCT QUALITY AND SAFETY

OUR APPROACH

As a food packaging manufacturer, consumer health and safety, alongside product quality, are high on our agenda. We act with integrity and comply with all applicable health, safety and environmental legal requirements and internal standards of performance.

All of the products manufactured by deSter comply with our Quality Assurance System (QAS) and the food contact safety framework set out in EU regulation No. 1935/2004. Our QAS includes quality control procedures and instructions during production, as well as labeling requirements with article numbers, production dates and batch numbers to assure full traceability. This assures consistently high-quality products that conform to the guidelines required for Good Manufacturing Practice (GMP) as described in the Regulation (EU) No 2023/2006.

The QAS is audited independently by BRCGS. We are A-grade certified according to BRCGS global standards for food safety and packaging materials.

Certified food safety systems are tools to ensure reliability on our health, safety, and environmental performance. We also expect our suppliers to comply with an internationally accepted food safety system. If the supplier has no valid certification, we carefully audit the supplier to ensure food safety.

We ensure the safety of our consumers, staff, and the public by:

- Only releasing products that meet all statutory safety requirements under European or national law
- Informing consumers of any risks associated with our products
- Continually assessing products, packaging, labelling, ingredients,

adverse events, and complaints to ensure safety

- Applying consistent consumer safety standards for company operations and products globally.
- Making sure all products can be traced, so they can be removed in case of any risks
- Following the Good Manufacturing Practice (GMP) guidelines (described in the EU regulation No 2023/2006) in all our manufacturing locations and working according to the BRCGS norms for packaging materials and food safety

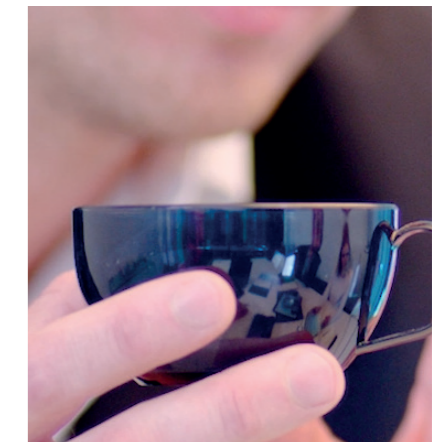
In the event that an end-user experiences any concerns or observes noncompliance, they can report it the distributor of our products who will share the report with deSter (as deSter does not selling products directly to end-users). All complaints are taken seriously and investigated via a strict Quality Complaint Process.

All of our products comply with the highest quality standards and adhere to EU food approval regulations and REACH chemical requirements. Nevertheless, we are committed to proactively removing PFAS (polyfluoroalkyl substances) from our fiber-based products. While PFAS offer excellent moisture, grease and stain resistance, they do not naturally occur in the environment. As they are resistant to breaking down, they can accumulate and pose health risks. Given the potential environmental and health impacts, we are phasing them out.

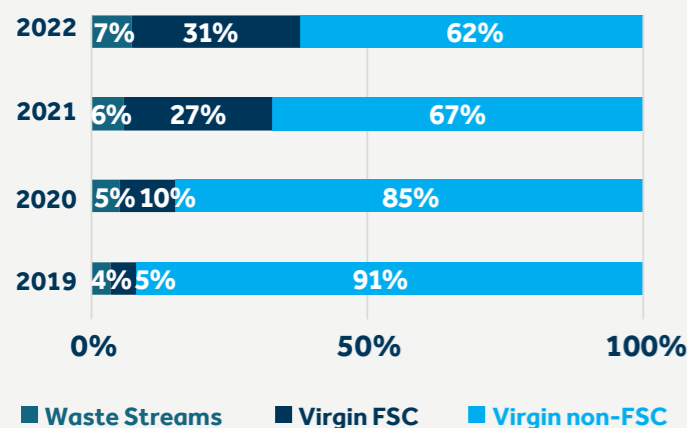
MEASUREMENTS AND ACTIONS

We currently have a complaint rate of 0.13 per 1,000 production hours—a great achievement that puts us below our 2023 target of 0.2 per 1,000 production hours. Given the planned introduction of many new sustainable products in the coming year, our target remains 0.2 complaints per 1,000 production hours.

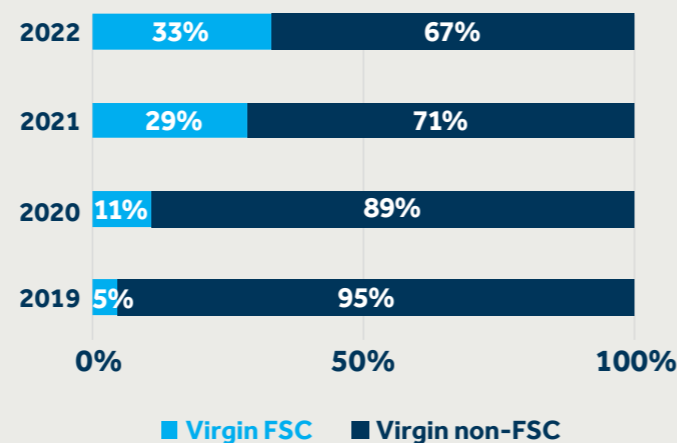
We set our target to eliminate added PFAS from our fiber-based products in 2022. Therefore, we have only taken an initial measure of our progress so far. Currently, 36% of our fiber-based products are completely PFAS-free. We view this as a starting point to work from and improve over the next two years.



SOURCED FIBER MATERIAL FOR FOOD-CONTACT PRODUCTS



FSC VS NON-FSC



OUR TARGETS

2023

Keep consumer complaint rate below 0.2 per 1,000 production hours

2023

All fiber-based new products launches are PFAS free (without added fluorinated compounds)

2025

Remove all PFAS from fiber-based packaging materials globally



CONCLUSION

Robert Swan once said, **“The greatest threat to our planet is the belief that someone else will save it.”** At deSter, we believe it is our duty to contribute to a sustainable future. As a company, we have a unique opportunity and responsibility to lead by example. But it is no longer enough to simply comply with environmental and social regulations – we must go beyond compliance and work towards sustainable business practices that benefit our company and the planet.

Our 2022 efforts described in this report underscore our commitment. Our #PeoplePlanetProduct approach drives innovation, improves efficiency, and creates value for all of our stakeholders. We have strengthened our commitment to social responsibility, including our Great Place 2 Work initiatives, our Sustainable Procurement practices and community engagement programs. We have set clear targets to reduce our environmental footprint and monitor our carbon emissions,

waste, pollution, and resource use. Moreover, we have made significant progress in transitioning our product portfolio to the Circular Economy.

We recognize that sustainability is an ongoing journey and will continue to monitor our progress and evolve to ensure we make a meaningful difference to our stakeholders, our planet and future generations. We believe 2023 will be a year of improvement and follow-up actions, as we introduce innovative ideas and measures.

Last but not least, we would like to sincerely thank all of our employees for their hard work and dedication to our sustainability journey. Their daily contributions have made it possible to achieve our company's sustainability goals and create a positive impact on the environment and society. We are excited to build on this momentum and continue working towards a more sustainable future.

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DESTER'S SUSTAINABILITY OVER THE YEARS

2018

Launch of deSter's Circular Economy approach (ECD: Environmentally Conscious Design) with a dedicated team

Acceleration of the development and implementation of sustainable products for the airline and foodservice markets

FSC certification for deSter's Belgian factory

Upgrade of deSter's EcoVadis Bronze rating to Silver

2019

Implementation of industry-first, 100% closed-loop recycling of inflight items (KLM Economy class trays)

Opening, Lima, Ohio, factory to produce closer to customers, reducing transport impact

deSter wins VOKA (Flemish Chamber of Commerce) Award for Innovative Entrepreneurship 2019, recognizing deSter's sustainable innovations and commitment to Circular Economy practices

deSter reaffirms its EcoVadis Silver rating

2020

deSter commits to exclusively launching new products that are reusable, compostable, or recyclable

FSC certification for deSter's Thai factory

deSter acquires SPIRIANT, combining experience and product portfolios while elevating sustainable solutions to the next level

2021

EFSA (European Food Safety Authority) approval for closed-loop recycling of tableware in aviation, making deSter the first and only partner on the airline market to perform food contact safe closed-loop recycling for plastic tableware

Award of a major development grant from the Flemish government for sustainable packaging technologies, including dry-formed technology and cardboard cutlery

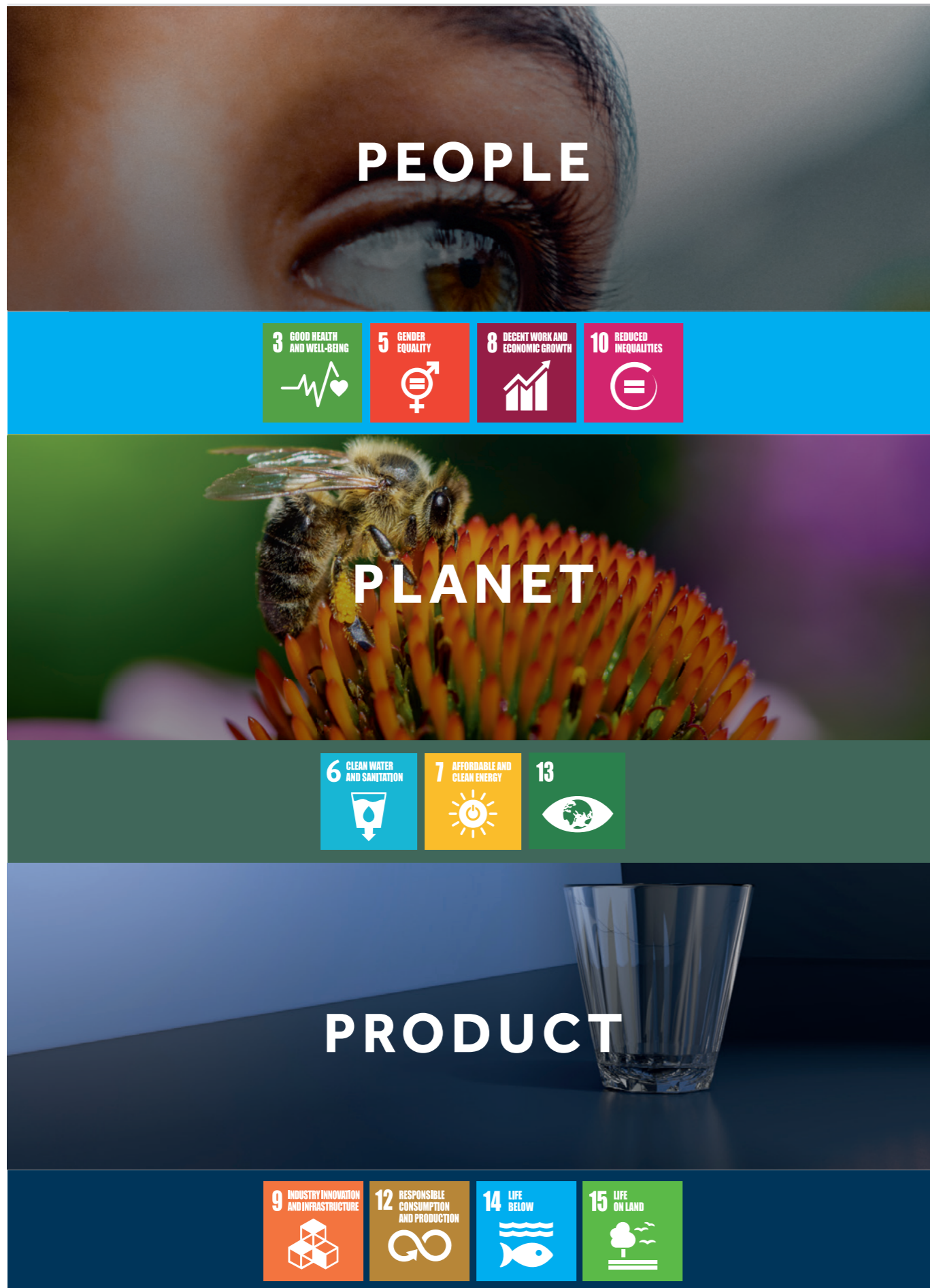
2022

Development and investment in new manufacturing lines, such as paper board cutlery and wet molded fibers

Launch of deSter #PeoplePlanetProduct ESG approach with a dedicated team

Commitment to UN global compact, SBTi (early 2023) and Belgian Alliance of Climate Action

deSter reaffirms its EcoVadis Silver rating and joins the top 10% of all companies rated in its industry



DETAILS ON OUR SELECTED SDGS

The UN lists 17 Sustainable Development Goals (SDGs). From this, we selected 12 SDGs that align with our goals, create the most impact, and are relevant to our industry.

PEOPLE

SDG PRIORITY GOALS

KEY SDG BUSINESS THEMES FOR DESTER

DESTER'S STRATEGIC GOALS CONTRIBUTING TO THE SDGs GOALS



3. Ensure healthy lives and promote well-being for all at all ages



5. Achieve gender equality and empower all women and girls



8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



10. Reduce inequality within and among countries

- Occupational health and safety
- Equal remuneration for women and men
- Diversity and equal opportunity
- Workplace violence and harassment
- Women in leadership
- Employment
- Economic inclusion
- Non-discrimination
- Capacity building
- Availability of a skilled workforce
- Elimination of forced or compulsory labor

- Be a Great Place 2 Work by end of 2025, including commitments to Diversity and Inclusion (D&I), discrimination and harassment, career management (e.g. training and development), working conditions (e.g. well-being, recruitment, onboarding, compensation, benefits), abolition of child and forced labor, social dialogue, health and safety
- Implement risk assessment and reporting for human rights, child and forced labor, and ethics
- Achieve sustainable supply chain by 2025, including CSR risk assessment and audits (including subcontractors)
- Be recognized as an active contributor within our local communities worldwide by 2025" by "Actively contribute to our local communities worldwide by 2025"

PLANET

SDG PRIORITY GOALS



6. Ensure availability and sustainable management of water and sanitation for all



7. Ensure access to affordable, reliable, sustainable and modern energy for all



13. Take urgent action to combat climate change and its impacts

KEY SDG BUSINESS THEMES FOR DETER

- Improved water quality through effluent treatment
- Improved water efficiency through application of 5R principles: reduce, reuse, recover, recycle, replenish
- Protection of water-related ecosystems and biodiversity
- Renewable energy
- Energy efficiency
- Infrastructure investments
- Environmental investments
- GHG emissions
- Risks and opportunities due to climate change

DETER'S STRATEGIC GOALS CONTRIBUTING TO THE SDGs GOALS

- By 2025 have 25% carbon footprint reduction in all operations, compared to 2019
- Install policy, commitments and measurements on waste, pollution and resource management
- Contributing to the global target of achieving Nature Positive biodiversity by 2030.



PRODUCT

SDG PRIORITY GOALS



9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



12. Ensure sustainable consumption and production patterns



14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development



15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss



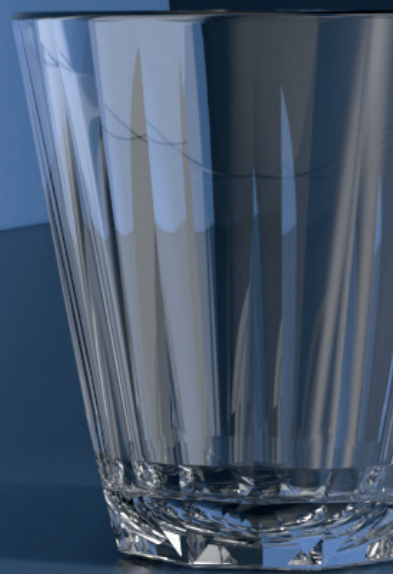
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

KEY SDG BUSINESS THEMES FOR DESTER

- Environmental investments
- Research and development
- Infrastructure investments
- Sustainable sourcing
- Resource efficiency of products and services
- Materials recycling
- Procurement practices
- Product and service information and labeling
- Marine biodiversity
- Ocean acidification
- Spills
- Water discharge to oceans
- Deforestation and forest degradation
- Land remediation
- Landscapes forest management and fiber sourcing
- Natural habitat degradation
- Enhance the global partnership for sustainable development
- Encourage companies to adopt sustainable practices

DESTER'S STRATEGIC GOALS CONTRIBUTING TO THE SDGs GOALS

- We only launch new products that are reusable, recyclable or compostable (since 2020)
- By 2025 all products are either reusable, recyclable or compostable
- By 2030, we aim to have 100% of our products create zero waste
- Eliminate problematic, unnecessary plastic items and packaging by 2025
- Introduce or expand reuse and closed-loop recycling models or reusable alternatives by 2025
- Collaborate with others and invest in the collection and separation of recyclable and organic materials to increase recycling and composting rates in practice
- By 2025, work only with responsible resources and sustainable materials
- Implement fully proactive customer health and safety compliance process
- Remove all added fluorinated compounds from packaging materials globally by 2025



DESTER'S GOALS AND KPIs

We have set targets and KPIs to measure our progress on ESG. Some KPIs already show specific progress, while other data was measured for the first time in 2022.

This overview serves as a foundation that will evolve and become crucial for measuring our performance in the coming years.



JOPPE BROSENS
R & D

PEOPLE

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
HUMAN RESOURCES						
	Employee growth	Growth in employees	Total staff growth	-	25%	
		Decrease the voluntary leave rate	Voluntary leave turnover	-	9%	
	Governance	Create deSter Global Human Resources Policies	Percentage of policies in place	100%	100%	
		Create company-wide awareness of new policies	Percentage of targeted employees trained on the labor policies	-	46%	
	Diversity & Inclusion	Be a diverse working environment	Percentage of woman employed in relation to the whole organization	-	51%	
		Be a diverse working environment	Percentage of woman in leadership team	-	9%	
		Be a diverse working environment	Percentage of employees per age	-		Balanced distribution. See Goals and Key Figures at the People section.
		Be a diverse working environment	Number of nationalities	-	40	
		Evaluate and follow up on D&I speak-up line cases	Number of corrective actions solved from speak-up line cases	100%	100%	
		Promote awareness of D&I	Percentage employees trained on diversity	-	56%	
	Recruitment and onboarding	Reward employees who bring in successful hires via the Bring a Friend Program	Percentage of new joiners from Bring a Friend Program compared/all new joiners	-	10%	
		Create transparency on employee data, digitalization of the HR practices	Percentage of all employees who have a company account who are integrated into the Workday software	50%	45%	
	Working conditions	Monitor working conditions. Ensure high level of health coverage for all employees.	Percentage of employees with health coverage	-	98%	
	Well-being	Create transparency on absenteeism due to illness	Percentage absenteeism due to illness	-	5.6%	
	Training	Provide career- or skills-related training	Percentage of the total workforce across all locations who received career- or skills-related training	-	61%	
		Increase learning and development opportunities, both professional and personal	Average training hours per employee	-	12.60% Hours	Includes internal and digital trainings. Learning content about business relevant topics
		Increase learning and development opportunities both professional and personal	Average expense on training per employee in CHF	-	24.10 CHF	Most trainings are organized internally

PEOPLE

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
	Performance Feedback	Create a culture of high performance, leadership, and feedback	Percentage of the total workforce across all locations who received regular performance and career development reviews (PA&P reviews)	100%	97%	
	Career Planning (Development)	Increase number of internal career opportunities		-	29	
		Identify critical positions and prepare potential successors	Percentage employees to retire over next 5 years	-	9%	
	Social Dialogue	Promote social dialogue	Percentage of the total workforce across all locations who are covered by formally-elected employee representatives	-	38%	
HEALTH AND SAFETY				-		
	Health and safety	Strive for zero accidents	Percentage implementation of procedure to anticipate health and safety risks related to change of operations	-	100%	
		Strive for zero accidents	Percentage of all operation sites for which an employee health and safety risk assessment has been conducted	-	100%	
		Strive for zero accidents	Number of assessments on health and safety risks related to change of operations	-	5	
		Strive for zero accidents	Health & safety training hours	-	3,133	Hours
		Strive for zero accidents	Health & safety training hours per employee (Direct Labor)	-	6.7	Hours
		Strive for zero accidents	Lost time injury frequency rate	-	1.04	Rate
		Strive for zero accidents	Lost time injury severity rate	-	0.11	Rate
		Strive for zero accidents	Amount of man-days-lost per employee due to injury	-	0.17	Days
		Strive for zero accidents	Percentage of policies translated in major languages	-	100%	
BUSINESS ETHICS				-		
	Human Rights	Prevent direct impacts on human rights	Install human rights risk assessment and reporting	100%	100%	
		Mitigate impacts on human rights	Number of corrective actions outstanding on ethics	0	0	EA
	Business Ethics	Create awareness on business ethics and prevent impacts on human rights	Percentage of target employees trained on anti-corruption	100%	78%	

PEOPLE

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
		Create awareness on business ethics and prevent impacts on human rights	Percentage of target employees trained on information security	100%	71%	
		Transparency on business ethics	Number of confirmed corruption incidents	0	0 EA	
		Transparency on business ethics	Number of confirmed information security incidents	0	0 EA	
		Transparency on business ethics	% of reports related to whistleblower procedure closed	100%	100%	
		External endorsement	Percentage of all operational sites for which an internal audit/risk assessment concerning business ethics issues has been conducted	100%	100%	
		Training of employees	Percentage of workforce trained on business ethics issues	100%	51%	
SUSTAINABLE PROCUREMENT						
	Framework	Install roadmap on sustainable procurement	Completion of roadmap	100%	100%	
	Sustainable procurement report	Suppliers confirmed code of conduct commitments in writing	Signature of code of conduct of targeted suppliers based on CHF turnover	90%	90%	
		Perform CSR risk analysis for 100% of targeted suppliers by end of 2022	% risk analysis conducted	100%	100%	
		Supplier assessment on environmental or social practices based on target suppliers	% of suppliers that went through a self-assessment	100%	93%	
		At least 5 on-site audits of target suppliers on environmental and social issues by end of 2022	Number of audits performed	5	5 EA	
COMMUNITY OUTREACH						
	Framework	Have framework, working group and first reach out by 2022	In place, not in place	100%	100%	
	Community outreach activities	Start initiatives at every location	Number of initiatives	7	4 EA	

PLANET

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
ENVIRONMENT						
	Governance	Install environmental policy and goals	Global environmental policy in place	100%	100%	
		Embed new policy in our organization	Percentage of targeted employees who joined the online training on the global environmental policy	100%	37%	
		Install GHG reduction workgroup to identify reduction initiatives	Workgroup in place and overview of actions on GHG reduction initiatives	100%	100%	Workgroup and overview in place with monthly meetings including our CEO to prioritize GHG reduction initiatives
GHG REDUCTION						
	Endorsement	Have or adhere to external certification (SBTi, ISO 50001...)	Have at least one external endorsement in place	100%	100%	SBTi commitment in place and adherence to BACA (Belgium Alliance of Climate Action)
	Transparency	Install transparency on GHG footprint as per GHG protocol (scope 1, 2, and 3),	Progress on data transparency on scope 1,2 and 3	40%	40%	Transparency on scope 3 to be further completed, approach for 2023 is worked out
		Have GHG footprint calculations externally validated on scope 1 and 2	Audit on scope 1, 2	100%	100%	Calculations on scope 1 and scope 2 externally audited
	GHG Reduction scope 1	Scope 1 - Reduce emissions 25% by 2025 compared with 2019	CO2e emissions scope 1 in 2022	-	898 tCO2	
		Scope 1 reduction emissions 25% by 2025 since 2019	Percentage reduction CO2e emissions scope 1 compared to 2019	-13%	22.95%	
	GHG Reduction scope 2	Scope 2 - Reduce emissions 25% by 2025 compared with 2019	CO2e emissions scope 2 2022	-	12,401 tCO2	
		Scope 2 reduction emissions 25% by 2025 since 2019	Percentage reduction CO2e emissions scope 2 2022 compared to 2019	-13%	-35%	
	GHG Reduction scope 3 with 2019	Scope 3 - Reduce emissions 25% by 2025 compared	Create transparency on scope 3 emissions by the end of 2023 and determine carbon hotspots	40%	40%	First data gathered, approach and timeline worked out
	Energy consumption	Transparency on total energy consumption	Total energy consumption	-	41,450 MWh	
		Absolute reduction of total energy consumption	Total energy consumption (electricity + gas + fuel oil) change compared to 2019	-	-32%	
		Relative reduction of total energy consumption	Total energy consumption relative to production revenue change compared to 2019	-	-29%	
		Transparency on electricity consumption	Total amount of electricity consumption	-	39,661 MWh	
		Absolute reduction of electricity consumption	Total electricity consumption decline compared to 2019	-	-31%	



PLANET

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
		Relative reduction of electricity consumption	Total electricity consumption relative to production revenue change compared to 2019	-	-28%	
		Increase of renewable electricity	% of renewable electricity compared to total electricity consumption	-	5%	
		Specific reduction targets per production location and track of progress	% target reduction relative to production revenue and measuring progress in place for all locations	100%	67%	On track in Hoogstraten and Prachinburi, but Lima not on track on goal due to start-up phase of location. More information in the Planet section of this report.
WASTE, POLLUTION AND BIODIVERSITY						
	Waste	Transparency on total waste	Total amount of waste	-	1,107 tons	
		Absolute reduction of total waste	Total reduction of waste compared to 2019	-	-51%	
		Relative reduction of total waste	Total reduction of waste compared to 2019	-	-37%	
		Transparency on hazardous waste	Total amount of hazardous waste	-	97 tons	
		Transparency on hazardous waste	Percentage hazardous waste of total waste	-	9%	
		Absolute reduction of hazardous waste	% reduction of hazardous waste compared to 2019	-	-51%	
		Relative reduction of hazardous waste	% reduction of hazardous waste compared to 2019 relative to production	-	-49%	
		Transparency on recycled waste	Total recycled waste	-	654 tons	
		Transparency on recycled waste	Percentage recycled waste of total waste	-	59%	
		Increase of recycled waste	% increase of recycled waste compared to 2019	-	2%	
		Transparency on incinerated waste	Total incinerated waste	-	406 tons	
		Transparency on incinerated waste	Percentage incinerated waste of total waste	-	37%	
		Reduction on incinerated waste	% reduction on incinerated waste compared to 2019	-	2%	
		Transparency on waste to digester	Total waste to digester	-	7 tons	
		Transparency on waste to digester	Percentage waste to digester	-	1%	



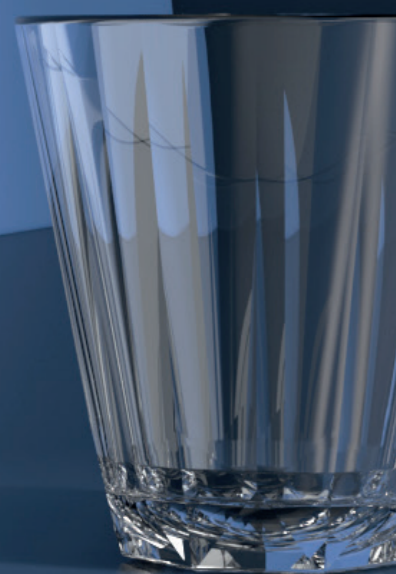
PLANET

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
		Transparency on waste to digester	% change on waste to digester compared to 2019	-	-2%	
		Transparency on waste to landfill	Total waste to landfill	-	40 tons	
		Transparency on waste to landfill	Percentage landfilled waste of total waste	-	4%	
		Reduction on waste to landfill	% reduction of landfilled waste compared to 2019	-	-2%	
		Specific reduction targets per production location and track of progress	% target reduction relative to production revenue and measuring progress in place for each location	100%	67%	On track in Hoogstraten and Prachinburi, but Lima not on track on goal due to start-up phase of location.
	Water	Transparency on water consumption	Total amount of water consumption 2022	-	58,729 m3	
		Absolute reduction of water use	% of water use compared to 2019	-	-19%	Lima not considered - no data for 2019 yet, but very small consumption in 2022
		Relative reduction of water use	% of water use compared to 2019 relative to the production revenue	-	-15%	Lima not considered - no data for 2019 yet, but very small consumption in 2022
		Transparency on water	Total weight of pollutants in water	-	23,315 kg	Currently only calculated for Hoogstraten and Prachinburi
		Specific reduction targets per production location and track of progress	% target reduction relative to production revenue and measuring progress in place for each location	100%	100%	Hoogstraten and Prachinburi on track. Lima has no target on water consumption.
	Pollution	Transparency on air pollution for all production locations	Total amount and decline of VOC, NOx and SOx per location	100%	33%	All calculations done for Hoogstraten
		Specific reduction targets water pollution per production location and track of progress	% target reduction relative to production revenue and measuring progress in place for each location water pollution	100%	33%	Hoogstraten only on track for relative decline in nitrates and nitrites, not on track for inorganic chlorides and suspended solids. No targets set for Prachinburi and Lima. More information can be found in the sustainability report.
		Specific reduction targets air pollution per production location and track of progress	% target reduction relative to production revenue and measuring progress in place for each location air pollution	100%	100%	Hoogstraten on track for VOC, NOx and SOx decline targets. No targets set for Prachinburi and Lima. More information can be found in the sustainability report.
	Chemicals	Complete implementation of Chemdirector in Hoogstraten by end 2023	All substances are added in Chemdirector and the tool is actively used	-	started in 2022	Will be fully implemented throughout 2023
	Biodiversity	Identify policy/framework and targets to reduce impact and increase biodiversity locally and in our supply chain.	Policy in place, not in place	100%	100%	During 2022, knowledge on biodiversity and nature positive was gained internally



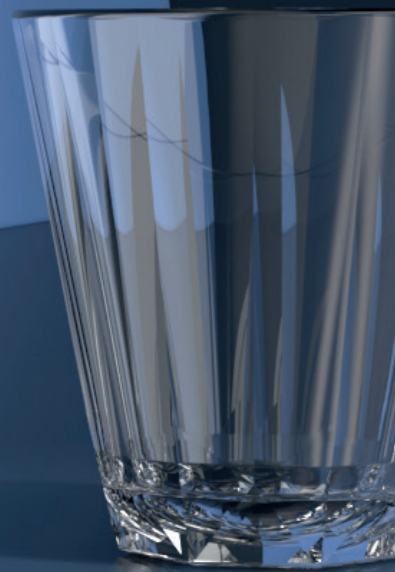
PRODUCT

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
PRODUCT IMPACT						
	Governance	Install Product policy: circularity (including e.g. environmental impact from product end-of-life and usage), responsible resource use, and consumer health & safety	Policy on circularity, responsible resource use and consumer health and safety	100%	100%	
		Embed new policy in our organization	Percentage of targeted employees trained in circularity, responsible resource use and consumer health and safety	90%	37%	Nevertheless we have a much higher rate on circularity as this has been already embedded for some years
CIRCULARITY						
	Transparency	Install transparency on circularity	% completion of transparency	100%	80%	This figure is affected by the merger with SPIRIANT, as the data from Equipment Management Services sales are not yet integrated into this set
	Reduction single-use plastics	By 2025 actively phase out unnecessary single-use plastic products by eliminating them or replacing them with reusables or compostables	Total weight of single-use plastics	-	15,281 ton	
		By 2025 actively phase out unnecessary single-use plastic products by eliminating them or replacing them with reusables or compostables	Weight reduction in single-use plastics since 2019	-	-38%	
		Set specific single-use plastic weight reduction targets for main product groups and measurement of progress	% completion of reduction, target-setting, and progress measurements	100%	100%	Targets set and measured for cutlery, bowls, plates, lids, boxes and clamshells, high-heat casseroles and single-use glasses
	Sustainable products	All products are reusable or compostable, and recyclable by 2025	% revenue sustainable products compared to total revenue	-	51%	
		All products are reusable or compostable, and recyclable by 2025	% food packaging revenue reusable vs compostable vs single-use plastics	-	15% 36% 49%	
	Zero waste	By 2030, we aim to have 100% of our products create zero waste	Number of reusables projects in closed-loop	3	4	
	Endorsement	Achieve external endorsement program on closed-loop recycling	Achieve external endorsement program on closed-loop recycling	100%	10%	Investigation done, however to reach an external endorsement requires much more effort and budget than expected
RESPONSIBLE RESOURCE USE						
	Responsible plastic materials	Increase use of recycled materials for food packaging	% of recycled plastic input materials relative to the total input recyclable plastic material	-	40%	
		Phase out PS materials by end 2025 (compared to 2019)	% reduction of PS material compared to 2019	-	-63%	



PRODUCT

Subtheme	Initiative	Goal	KPI 2022-2023	Target 2022	Result	Comment
	Responsible Fibers Food Contact	Increase of materials from waste streams	% use of materials from waste streams vs other materials	-	7%	No target yet, however we see an increase from 2020
		Increase of materials from waste streams	% use of FSC materials vs non-FSC virgin materials	-	4%	
		Increase use of FSC materials for virgin materials		-	33%	
		Increase use of FSC materials for virgin materials	% FSC materials increase compared to 2019	-	28%	
		Increase use of recycled fiber materials	% use of recycled fibers vs virgin materials	-	100%	We already achieved the use of 100% recycled fibers for our carton packaging materials
CONSUMER HEALTH AND SAFETY						
	Transparency	Establish transparency on consumer health and safety	Transparency on complaints in place globally	100%	100%	
	Framework	Implement roadmap on consumer health and safety and product compliance	Roadmap in place, not in place	100%	80%	To be continued in 2023
	Reduction of customer complaints	Get customers complaints per 1,000 production hours below 0.20 for all locations	Number of complaints per 1,000 production hours	0.2	0.13	
	PFA free fiber products	Proactively phase out of PFAS beyond current regulations by end 2024	Total weight of fiber-based products PFAS free compared to total weight of fiber-based products	-	36%	



CERTIFICATIONS AND AUDITS

Overview of certificates and audits per production location

	deSter BV, Hoogstraten, Belgium	deSter Co. Ltd., Prachinburi, Thailand	deSter Corporation, Lima, Ohio, USA
Quality, product safety and reliability			
BRCGS Global Standard for Packaging Materials Issue 6	AA+ grade	AA+ grade	A grade
BRCGS Food Safety Issue 8	A grade	A+ grade	
Bio Sugar	X		
Fairtrade Sugar	X		
Home OK Compost Mark	X		
Industrial OK Compost Mark	X		
Food and Drug Administration (USA)	X (registration)	X (registration)	X
FAVV (Federaal Agentschap voor de veiligheid van de voedselketen) Food Safety Audit	X		
EFSA (European Food Safety Authority) approval for deSter's closed-loop recycling concept	X		
CE-532 EU production	X		
NSF conformity quality and food approval food packaging	X	X	
Environment			
Energy Audit	X	Goal 2023	Goal 2023
Noise Audit	X	Internal analyses	X
Water analysis	X (waste, cooling and tap water)	X (wastewater)	
Greenhouse gas emissions verification	X	X	X
Working conditions employees			
Thai Labor Standard (TLS8001-2010)		X	
Health and Safety Audit IDEWE	X		
Periodic technical controls	X		
Combination of topics			
Supplier Workforce Audit	X	X	X
SMETA SEDEX	X	X	Goal 2023
ISO9001: 2015		X	
FSC Chain-of-custody	X	X	



DESIGN AND SUSTAINABILITY AWARDS



Award	Year	Product	Intrntl. Awards	Industry Awards	Sustainability related
VOKA (Flemish Chamber of Commerce) Award for Innovative Entrepreneurship 2019	2019	Acknowledged deSter's sustainable innovations and ongoing commitment towards developing products that in time will fully fit into the circular economy.	1		1
IPC Subway award for Innovation Partner of the Year	2019	Overall cooperation with Subway		1	1
OBH - Best Onboard Amenities Business Class – Highly Commended	2019	Brussels Airlines kit with Essential & Rituals		1	
TravelPlus - First Class Female Kit	2019	First Class Female Kit - Oman Air		1	
TravelPlus - Business Class Male Kit	2019	Business Class Male Kit - Oman Air		1	
iF Design Award	2019	LH First Class Dining Experience - The Etagere	1		
Red Dot Design Award	2019	LH First Class Dining Experience	1		
German Design Award	2019	Emirates Golden Basket	1		
TravelPlus Award "Gold"	2019	First Class Amenity Kit		1	
TravelPlus Award "Gold"	2019	Premium Economy Class Amenity Kit		1	
TravelPlus Award "Gold"	2019	Business Class Sleep Suit		1	
TravelPlus Award "Highly Commended"	2019	First Class Sleeper Suit/Pajamas		1	
PAX International "Winner"	2019	First Class Amenity Kit (Asiana Airlines)		1	
PAX International "Winner"	2019	First Class Amenity Kit (LH)		1	
German Design Award	2020	Winner 2020 Golden Basket	1		
OBH - Cabin Concept Bronze Winner	2020	Delta International Main Cabin (submitted by Delta)		1	1
Red Dot Packaging Design (Packaging Design – Brands & Communication Design)	2020	SAS Cube 2.0	1		
Pentaward Gold (Category Packaging Design – Soups, Ready-to-Eat dishes, Fast Food)	2020	SAS Cube 2.0	1		1
German Design Award	2022	Lufthansa Onboard Delights	1		1
German Design Award	2022	Swiss Saveurs packaging	1		1

DEFINITIONS AND ABBREVIATIONS

deSter has three manufacturing locations:

- Hoogstraten, Belgium = 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 with projects that take this amount of greenhouse gases out of the atmosphere. So, net-zero is reached when the amount of carbon emissions is 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 reduction 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." ("SBTi Launches World-First Net-Zero Corporate Standard | WWF (Worldwide Fund)"). The initiative is a collaboration between CDP (Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI) and the Worldwide 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. [1]

Scope 2 emissions = GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by deSter. [1]

Scope 3 emissions = all indirect GHG emissions (not included in scope 2) that occur in the value chain of 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]

VOC = volatile chemical compounds = compounds that have a high vapor pressure and low water solubility.

They are emitted as gases from certain solids or liquids. VOCs include a variety of chemicals, some of which may have short and long-term adverse health effects. [6]

SOx = sulfur oxides = group of molecules made up out of sulfur and oxide. They are pollutants that contribute to the formation of acid rain, as well as particulate pollution. [7]

NOx = nitrogen oxides = gases made of nitrogen and oxygen atoms. They contribute to the problem of air pollution, playing roles in the formation of both smog and acid rain. [8]

Nature positive = term used to describe a world in which nature, including animal species and ecosystems, is being restored and regenerated rather than declining. [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] Nature-Positive Hub | Cambridge Institute for Sustainability Leadership

[6] What are volatile organic compounds (VOCs)? | US EPA

[7] Sulfur Oxides | Center for Science Education (ucar.edu)

[8] Nitrogen Oxides | Center for Science Education (ucar.edu)





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