

2023



CREATING **SUSTAINABLE**
FOOD AND TRAVEL EXPERIENCES



Name of the organization

deSter

Location of headquarters

registered head office at
Gelmelstraat 96, 2320
Hoogstraten, Belgium

Scope of consolidation

The scope of this report is the deSter Group, a virtual group that represents all deSter entities. Several of these entities report separately to our parent company, gategroup. We do not produce a consolidated financial report encompassing all entities within the deSter Group as consolidated financial reporting takes place at the level of our parent company gategroup.

Our parent group, a Switzerland-based company with substantial business in the European Union, is required to report sustainability data according to the EU's Corporate Sustainability Reporting Directive (CSRD) in 2026. This will make separate official external reporting for gategroup's EU entities, including deSter entities, redundant.

Although it is not required, deSter has made a strategic decision to conduct reporting according to the ESRS standards at the deSter Group level on a voluntary basis. Our ESG strategy, which we have encapsulated in our #PeoplePlanetProduct initiative, our double materiality assessment and sustainability KPIs are executed at the deSter Group level. We already cover as many CSRD reporting requirements as possible.

For a limited number of sustainability KPIs related to

our 'Product' initiative, the data of our Germany entity is not included yet. This entity, which has been integrated since the acquisition of SPIRIANT in 2022, uses a different Enterprise Resource Planning (ERP) system for product data gathering. The process to link this data with the data system of the rest of the organization is ongoing with the aim to have integrated this data into our reporting for 2024. Furthermore, no data on our entity Nupik by deSter, is integrated into this report as because the Nupik acquisition took place early 2024.

Reporting period

Publication date: 11 June 2024

Reporting period:

January 1–December 31, 2023

The sustainability report can be viewed online at www.dester.com, where also our previous annual sustainability report is also available.

External audit

No external verification has been carried out yet on the reported metrics and ESRS data.

An external audit was conducted by DQS on our greenhouse gas emissions data, reported under the greenhouse gas protocol.

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Financial statements 2023

Financial statements are out of scope for this report. Consolidated financial reporting takes place on the level of our parent company gategroup and not at the level of deSter Group.



CREATING **SUSTAINABLE**
FOOD AND TRAVEL EXPERIENCES

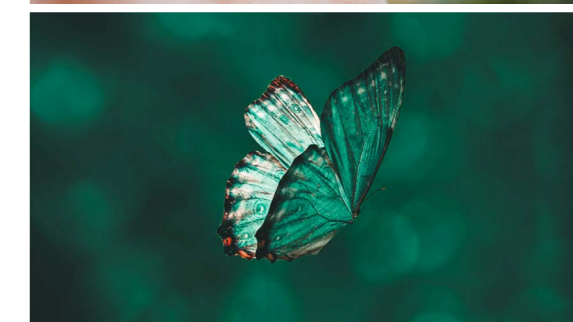
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INTRODUCTION

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STATEMENT FROM THE PRESIDENT

In an ever-changing world, it is important to keep moving and evolving to stay relevant as a company. It is about anticipating our customers' needs and proactively responding to new regulations.

That is why we constantly invest in design, production methods and innovative technologies – all of which go hand in hand with creating a positive impact on people and the environment. As a global leader in the travel market and a growth company in the foodservice market, we help our customers change, and by doing so, we are transforming our industries.

Resilience and recovery

The COVID-19 pandemic presented unprecedented challenges, particularly for the aviation industry. Despite these hurdles, we are proud to report that our 2023 sales are nearing 2019 levels. Looking ahead to 2024, we expect to surpass our pre-COVID performance, demonstrating our resilience and adaptability.

Strategic growth

Following the SPIRIANT merger in 2020, which strengthened our position in the travel market and resulted in a refresh of our corporate identity, we made preparations in 2023 to acquire Nupik, a renowned Spanish distributor and manufacturer of food packaging and tableware for the foodservice industry.

After the acquisition became effective in February 2024, Nupik began operating under the brand name Nupik by deSter. Equipped with a state-of-the-art, fully automated warehouse and production lines, such as paper cup production, Nupik by deSter's Barcelona location will boost our capabilities

and advance our efforts to be a global player with local presence.

Commitment to sustainability

In parallel, we continued to improve and implement our ESG strategy, summarized by our #PeoplePlanetProduct initiative. While 2022 was about laying the foundations and taking our first relevant actions, 2023 was our first full year of implementation and fine-tuning.

In recognition of our sustainability efforts, we earned a prestigious EcoVadis Gold rating, which positions deSter in the top 2% of evaluated companies in our industry. After achieving a Silver rating for two consecutive years, our Gold rating reflects a significant improvement in our sustainability performance.

At deSter, we are not required to report on ESG under the EU Corporate Sustainable Reporting Directive (EU CSRD), as the reporting will take place under our parent company gategroup. However, we have voluntarily embraced the CSRD framework to transparently report according to the same standards as many of our clients.

With this in mind, in 2023, we executed our first double materiality assessment to confirm and fine-tune the sustainability areas most relevant to our business. This has strengthened our #PeoplePlanetProduct initiatives and guided our actions in 2023.

People: Creating a 'Great Place 2 Work'

On People, We made progress towards creating a "Great Place 2 Work" by implementing initiatives that promote global bonding, developing a comprehensive well-being strategy, and investing in employee skills. We also

conducted our first global employee survey to gather valuable feedback and insights, which will help us meet the changing needs of our employees. Additionally, we have improved our health and safety procedures, reduced accidents, increased supplier ESG audits and introduced more community engagement activities.

Planet: Reach net-zero carbon

Under our Planet initiative, where we focus on reducing carbon emissions, managing operational waste, and contributing to biodiversity, we are very proud to report a 50% reduction in CO₂ emissions compared to 2019, achieving our 2025 goals and staying on track for future targets. As over 96% of our emissions come from Scope 3 (relating to the materials we use and the end-of-life of our products), our product circularity efforts have helped us reach our ambitious carbon reduction targets.

Furthermore, in 2023 we have laid the foundation for an environmental management system, aligned with ISO 14001 standards, at all our manufacturing locations by 2025. Belgium will be certified in 2024.

Product: Championing product circularity

In line with our Product initiative, we have developed and introduced sustainable products in recent years that comply with the principles of the circular economy. This has resulted in significant successes detailed in the "Sustainable Products Highlights in 2023" section.

In 2023, our revenue from reusable and compostable food packaging increased, with compostable items sur-

passing single-use plastics for the first time. Additionally, we achieved a 52% weight reduction in single-use plastics compared to 2019, while our FSC and ISCC PLUS certifications underscore our commitment to responsible resource management.

Sustainability is integral to our business and fuels our confidence in future growth. By constantly pushing boundaries, we bring change to the market and add value for our customers. Our strong ESG performance not only benefits deSter, but also supports our partners in their sustainability goals.

I would like to especially thank our employees for embracing sustainability by putting it at the center of everything they do. It is through our employees' commitment and dedication, together with the support of and collaboration with our suppliers and customers that we can achieve our goals. I invite everyone to read our second ESG report – it is a testament to our ongoing sustainability efforts and our commitment to driving positive change.

"WE CONTINUOUSLY ADAPT TO STAY RELEVANT AND DRIVE MARKET CHANGE."



STEF VAN DE PERRE
PRESIDENT AND
MANAGING DIRECTOR
deSter



MARKET LEADER IN TRAVEL INDUSTRY

working with all major airlines, full service offering

Creating sustainable food and travel Experiences

INNOVATOR IN FOODSERVICE MARKET

Growing number of customers



SUSTAINABLE FOOD PACKAGING AND SERVICEWARE

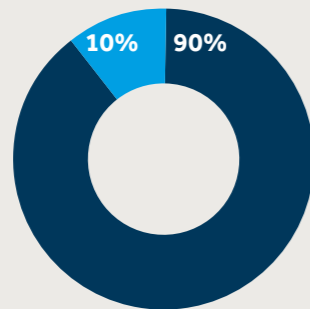


deStudio IN-HOUSE DESIGN AND DEVELOPMENT



50 YEARS HERITAGE IN-HOUSE MANUFACTURING ON 3 CONTINENTS + NETWORK OF MANUFACTURING PARTNERS.

€345 MILLION REVENUE 2023
367 M.CHF, 1 EUR = 0.972 CHF



■ TRAVEL REVENUE
■ FOODSERVICE REVENUE

1,000+ employees worldwide and 44+ nationalities

As of end of Feb 2024. All other data as of December 2023.

MANUFACTURING



1/3 SALES

EQUIPMENT MANAGEMENT



1/3 SALES

TRADING



1/3 SALES

"THINK GLOBAL, ACT LOCAL"



○ deSter offices

○ deSter manufacturing

LIMA Ohio, USA

20,000 m2

- Injection molding
- Sheet extrusion
- Thermoforming
- Cutlery pack assembly

ANTWERP Belgium

80,000 m2

- Paper board cutlery
- Injection molding
- Sheet extrusion
- Thermoforming
- Cutlery pack assembly
- Condiment production

BARCELONA Spain

20,000 m2

- Thermoforming
- Paper cup production

PRACHINBURI Thailand

80,000 m2

- Paper board cutlery
- Fiber forming
- Injection molding
- Sheet extrusion
- Thermoforming
- Cutlery pack assembly
- Condiment production

DUBAI UAE

Manufacturing partner

- Injection molding

*Nupik by deSter: Nupik by deSter was acquired in February 2024 and is not included in this sustainability report.

PEOPLE

GOALS

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

ESRS S1 Own workforce
ESRS S2 Workers in the value chain
ESRS G1 Business conduct (see Governance section)

KEY RESULTS

GREAT PLACE 2 WORK

eNPS: 9.2 | Employee engagement
Goal 2025 = 30

79% | Participation rate global employee survey

50% | Reduction in voluntary leave turnover, compared to 2022



49% WOMEN | 51% MEN



Well-being and training programs in place

Health & safety
0.15 | Global lost time injury rate vs 0.46 industry standard* (*Belgium)



SUSTAINABLE PROCUREMENT

97% | Code of conduct signature
100% | of targeted suppliers audited on ESG
Corrective action plans in place

COMMUNITY OUTREACH

Plastic Cleanups, educational events, students involvement, etc., on avoiding plastic pollution and support of the River Cleanup

PLANET

GOALS

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

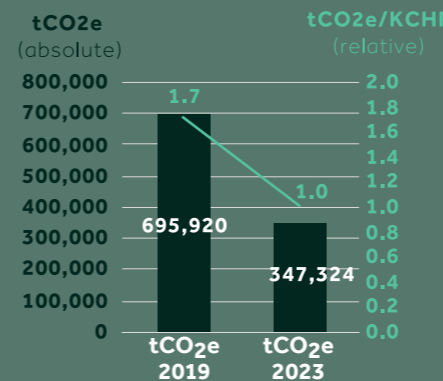
Contribute to reach nature positive in 2030

ESRS E1 Climate change
ESRS E2 Pollution
ESRS E3 Water and marine resources
ESRS E4 Biodiversity and ecosystems

KEY RESULTS

50% REDUCTION IN GHG EMISSIONS since 2019

On track

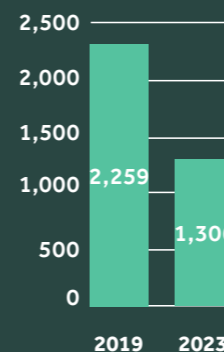


Reduction mainly driven by Scope 3 actions:

Use of renewable resources (fiber-based)
Shift to reusable products
Investments in local production

42% LESS OPERATIONAL WASTE since 2019 (tons)

On track



BIODIVERSITY FOCUS AREAS

Integrated into Planet and Product

Climate change (Reach net-zero carbon)
Impact on ecosystems (Circular economy)
Land use and land use change (Responsible resource use)

PRODUCT

GOALS

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 PFAS

2025

Remove all added fluorinated compounds from packaging materials beyond regulation requirements

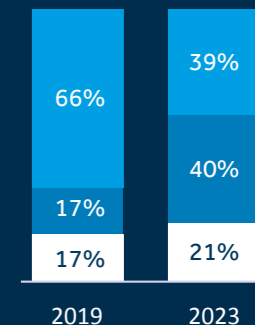
ESRS E5 Resource use and circular economy
ESRS S4 Consumer and end-Users

KEY RESULTS

CIRCULAR ECONOMY

61% revenue sustainable packaging vs total packaging revenue
On track

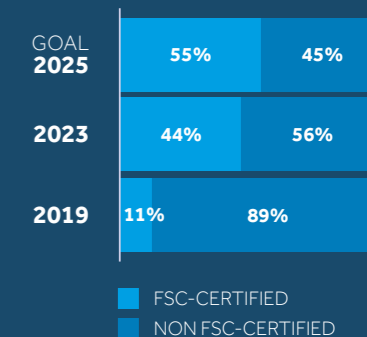
INCREASE IN REVENUE REUSABLE AND COMPOSTABLE PACKAGING



52% reduction in single-use plastics weight sold since 2019

RESPONSIBLE RESOURCES

FSC-certified food contact products made from virgin fiber

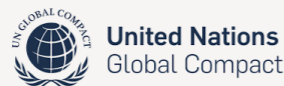


PFAS-FREE

% PFAS-based products in development



PFAS-FREE
INCLUDING PFAS



For more info on the results: see People, Planet and Product section introductions



ABOUT DESTER

ESRS 2

CREATING SUSTAINABLE FOOD AND TRAVEL EXPERIENCES

deSter, a member of gategroup, is a leading designer and provider of sustainable, innovative food packaging and service-ware concepts in the travel and foodservice industries. Drawing from decades of experience, we deliver bespoke, customer-centric and impactful innovations that showcase our passion for design and trends.

Founded as a general trading house in 1936, deSter began resin-based manufacturing in 1973, with the production of the humble (and now iconic) 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 over 1,000

employees and a dedicated global supply chain, our customers can rely on us.

Our value proposition:

- **Human design inspired by human stories:** We create beautiful, functional products that meet our customers' needs.
- **Smart concepts powered by innovation:** As industry experts, we are well-positioned to drive innovation and offer smart solutions.
- **Peace of mind, thanks to our conscious approach:** We are a trusted partner to our customers, suppliers and employees, demonstrating a commitment to sustainability with our #PeoplePlanet-Product strategy.

Veronica Pino Palacio
Sustainability and
ESG analyst

Philippe De Naeyer
Director Sustainability
and ESG

Fien Van Den Heuvel
Environmental Footprint
Manager

DESTER OVER THE YEARS

Over the years, deSter has consistently adapted to industry changes and set new standards. Today, our "two wings" approach highlights our dual goals: leading the travel industry in sustain-

ability and expanding our market share in the foodservice sector. By continuously improving our ESG performance, championing sustainable design and innovation, and investing in new tech-

nologies and local manufacturing, we can achieve these ambitions. "We keep adapting to stay relevant and drive market change"



deSter launched its first Sustainability Report, reflecting the company's holistic approach toward sustainability

Improved EcoVadis rating from Silver to Gold and joined top 2% of rated companies in industry



deSter and SPIRIANT were merged, taking both companies' experience, product portfolios and sustainable solutions to the next level.

Refreshed corporate identity



Opened, Lima, Ohio, factory to produce closer to customers

Implementation of industry-first 100% closed-loop recycling of inflight equipment

deSter reaffirmed EcoVadis Silver Rating

deSter optimized its global supply chain and logistical network including local warehousing and direct delivery to aviation and foodservice customers



deSter became part of gategroup, the global leader in airline catering, retail-on-board and hospitality products



Belgium
Production of lightweight plastics to replace chinaware onboard airlines
Entering in foodservice



deSter, Founded in Amsterdam by T. H. Ritman, Cleaning products for hotels, hospitals and restaurants

Production facilities on 3 continents (Europe, Asia, Americas) to deliver directly to all major airline hubs

1936

1969

1973

1991

1997

1999

2007

2012

2016

2018

2019

2020

2021

2022

2023

2024

deSter HK office opened
With a dedicated team skilled in design/engineering/manufacturing and supply chain



Acquisition of Helios mppd. Strengthening deSter's position in the aviation market through both companies' expertise in innovation and customer centricity

EQT-owned Duni AB acquires deSter and restructured the business and repositioned the company within the inflight equipment and catering industry



Rebranding of deStudio, deSter's award-winning design and development department

Launch of deSter's Circular Economy product approach with a dedicated team

Improvement of deSter' EcoVadis Bronze to Silver rating

Two wings approach, focus on lead in sustainability for travel industry and focus on growth in foodservice

Launch of deSter's #PeoplePlanetProduct ESG approach with a dedicated team

Commitment to UN global compact and SBTi (Science Based Targets Initiative related to greenhouse gas reduction)

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



deSter acquires Nupik and launches Nupik by deSter, a distributor and manufacturer of food packaging, located in Barcelona



Joost Ritman took over the company from his father, venturing into the aviation industry

OUR MARKETS

TRAVEL

YOUR PASSENGERS, OUR INSPIRATION

deSter delivers comprehensive premium and main cabin concepts to provide the ultimate passenger experience. We understand that even the smallest

detail can make a world of difference. That's why we collaborate with our customers to develop designs and manufacture products in our own factories

or with our manufacturing partners, ensuring we strike the perfect balance between design and functionality.

OUR TRAVEL PRODUCTS

Premium Dining

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



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.



Amenities and Comfort Items

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



AND PRODUCTS

FOODSERVICE

DINING SOLUTIONS FOR PEOPLE ON THE MOVE

Creating innovative and inspiring food-service concepts is one of the most important pillars of our portfolio. Whether

producing a bespoke design or off-the-shelf product, tailor each creation to our customer's brand or business.

What's more, we are BRCGS Food and Packaging certified for added peace of mind.

OUR AREAS OF FOCUS

Horeca

Hotels, restaurants, cafes, sporting events, festivals and other leisure events all require ups, cutlery, tableware and foodpackaging that are easy to use and sync with the brand experience.



Convenience and QSR

Quick service restaurants and convenience stores, such as fast casuals and food on the go, need packaging that reflects their branding and creates a seamless customer journey. To support our customers, we design and deliver tailor-made solutions.



Catering

Drawing from more than 50 years of experience in airline catering, we provide packaging and service ware to food-service catering companies, such as universities, schools, healthcare and company catering.



Retail

Supermarkets, cash and carry, and grocery stores need easy-to-carry packaging that protects food and looks visually appealing on the shelf.



How we deliver:

DIRECT

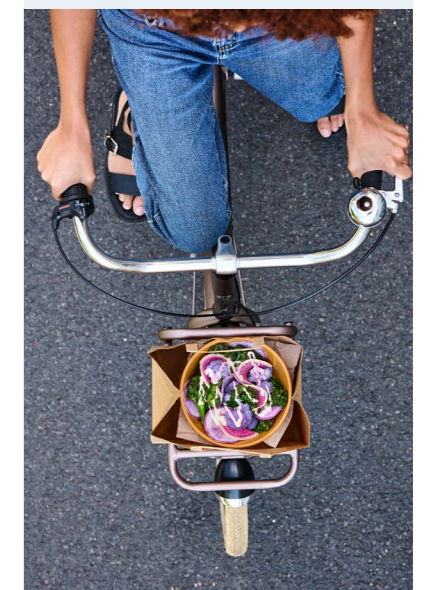
We deliver foodservice items directly to our customers from our manufacturing locations in Europe, the US and Asia.

DISTRIBUTORS

In addition to our Nupik by deSter distribution network, we work with key distribution partners to deliver our packaging solutions with care.

FOOD MANUFACTURERS

We create superior products and reliable packaging solutions to protect, preserve, distribute and present food.



OUR CORE CAPABILITIES

deStudio

deStudio: In-house design and development

One of deSter's unique features is deStudio, our in-house team of award-winning designers, engineers, product developers and materials experts. This dynamic team works closely with hospitality market experts, ensuring they're armed with cutting-edge insights while developing our customers' projects. From idea and concept development to technical design and production, we shape our clients' tableware, equipment or food packaging to reflect their identity and vision.

#PeoplePlanetProduct

Sustainability

As the market leader in our industry, we have integrated sustainability into the heart of our company and activities. We aim to create a positive impact on society and our planet by offering products that are responsibly created, manufactured, and delivered.



Patrik Geens
Karliën Meulemans
Design



Manufacturing

We have over 50 years of manufacturing experience, with facilities in Belgium, Spain, the US and Thailand. Harnessing our strategically located manufacturing sites and warehouses, we provide a premium service with short delivery lead times and low-carbon-impact transport. Our main production capabilities include wet molded fiber, dry molded fiber, paper board cutlery, cutlery packs assembly, injection molding, extrusion/thermoforming. Most of our manufacturing sites share the same technologies, allowing for flexible production across locations, while ensuring an optimized supply chain and contingency planning.



Trading

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



Equipment management service

Our equipment management service handles product and supply chain management on behalf of our customers. This can include logistics and warehouse management or extend to asset ownership with a variable fee model (i.e., fee per product use) – a highly successful approach used by many of our customers.

SUSTAINABLE PRODUCT HIGHLIGHTS IN 2023

We have been applying circular economy principles when developing our products for several years. To highlight our efforts in 2023, we have shortlisted a selection of reusable and closed-loop projects and compostable fiber-based projects. They showcase a mix of new developments, recent implementations and notable improvements.

As we endeavor to become 100% circular (read more in the Product section), our dedicated R&D team, designers, engineers and product managers are constantly looking for ways to push the boundaries and create products that are sustainable, practical and aesthetically pleasing.

REUSABLE AND CLOSED-LOOP PRODUCTS



Lufthansa 'Onboard Delights' reusable mug for hot beverages

Since August 2023, Economy Class passengers on board Lufthansa's European routes have been served hot drinks in new sustainable, reusable mugs created by deSter. Made with long-lasting recycled plastic, the high-quality mugs replaced disposable products made of plastic-laminated paper and a plastic lid with a metal filter.

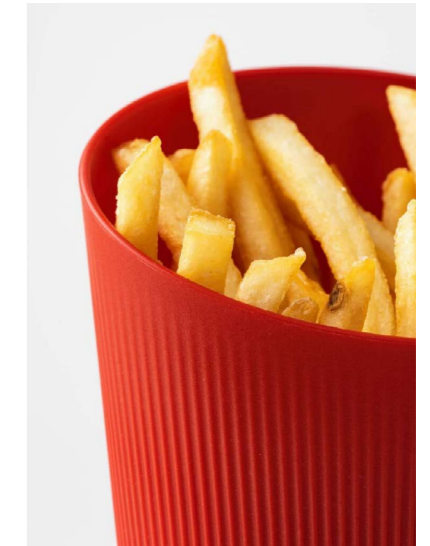
The 'Onboard Delights' mug also provides a better drinking experience, thanks to the smart ergonomic design that protects fingers from burns. There's also a handy fill-level marking to help busy cabin crew members.



Royal Antwerp FC reusable cups with deposit refund system

We successfully developed and launched reusable cups with embedded RFID chips for Belgian pro league soccer club Royal Antwerp FC (RAFC) together with Aucxis RFID Solutions, ACG maatwerkbedrijf (a sheltered workspace) and Weezevent. The 100% recyclable cups are durable, easily stackable, and designed for efficient washing and drying.

Not only have deSter's cups enabled RAFC to eliminate single-use plastic cups throughout the stadium, but they benefit fans as well. After finishing their drinks, fans can quickly return empty containers via smart cup collection. Using RFID technology, the tubes automatically reimburse deposits so fans do not have to queue at stadium bars to return their cup. The system also ensures shorter wait times at bars, so counter staff can sell and serve drinks faster.



McDonald's reusable service ware

Following the launch of reusable service items for McDonald's in France, which generated significant positive media attention, we continued to work with the global fast-food chain on more ambitious projects. We supported the product development, testing and launches of additional items in 2023, enabling McDonald's to switch from single-use to reusable items across multiple regions, including the US, Europe and Asia. We are proud to help McDonald's reach its sustainability goals and keep pace with changing market legislations.

REUSABLE AND CLOSED-LOOP PRODUCTS



Reusable vending machine cups

After proactively developing a reusable vending cup for the coffee industry in 2022, we pushed the initiative forward in 2023. Following extensive market testing, we introduced the cup to several customers, such as Pelican Rouge, Selecta, Fortune Coffee and Van Duijnen Koffie, in collaboration with TakeAbles (a full-service reusable cup provider). We have designed our cups to be automatically handled in vending machines, completely branded, low stacking, and optimized for efficient washing. What's more, the cups are recyclable when they reach end-of-life after multiple reuses.

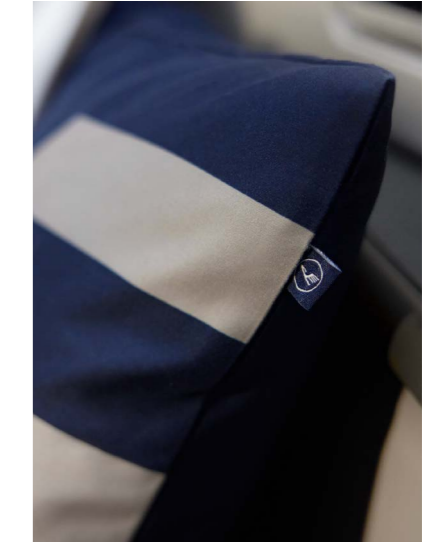
The Collect Cup: reusable cups and collection systems for airlines

In the quest to reduce waste in flight, reusable cups for cold drinks are among the most challenging products to implement. Numerous obstacles, such as limited space on board and in airport kitchens, discourage airlines from replacing disposable cups. At deSter, we aspire to provide solutions to such challenges. We are not only working to optimize the design and materials of reusable cups, but also revamp the service procedures and equipment required to make them possible. To this end, we have developed an optimized storage drawer, a liquid waste container and a "cup collector", which makes it easier for crew members to store, serve and retrieve cups. We are currently testing these developments with several international airlines and look forward to providing an update next year.

Expansion of our closed-loop recycling program

Every year, we strive to introduce our food contact-safe closed-loop recycling program to new customers, and we are pleased to share several success stories in 2023. In 2022, we continued working with KLM Royal Dutch Airlines to bring closed-loop recycling system for plastic tableware to the airline's Premium Comfort Class and we also introduced the concept to Etihad Airways. In 2023 we brought reusable items from Cathay Pacific, Emirates and TAP Portugal flights into a closed-loop recycling process, which involved our factories in Belgium and Thailand. This goes to show, that by working closely with our customers, we can successfully put circular principles into practice.

REUSABLE AND CLOSED-LOOP PRODUCTS



Cathay Pacific reusable casserole and lids

In 2022, we converted single-use plastic lids and cutlery for Cathay's Economy and Premium Economy classes into reusable products. Continuing our collaboration in 2023, we shifted our focus to the airline's casseroles and lids. When redesigning Cathay's entire tableware collection, we provided reusable alternatives for these items, which will be tested on board in 2024 and officially introduced later in the year.

Sustainable ceramics that elevate inflight dining

Bone China Plus, the latest development in deSter's ceramics portfolio, features a premium look and feel, while taking weight, durability and sustainability into account.

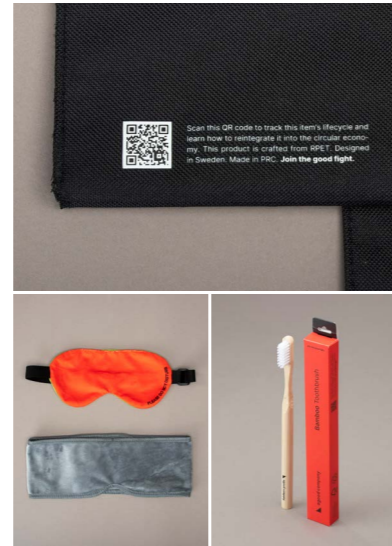
Our designs are made using a material that's lighter than standard ceramic materials (such as porcelain, fine china or bone china). They're also slimmer and more stackable – qualities that have a positive impact on transport, packaging and weight onboard.

The specially designed material composition ensures high durability, but also brings a typical translucent property that makes the tableware look sophisticated and elegant. Moreover, our Bone China Plus is more economical than typical bone china.

Lufthansa's new long lasting bedding collection

Our new bedding collection, developed specifically for Lufthansa, prioritizes recyclability from its very inception. Crafted from pure, high-quality materials, each component of our bedding is carefully selected to facilitate recycling at the end of each product's useful life. It reinforces the circular nature of the collection to reduce waste. While some challenges remain, such as certain materials being currently non-recyclable, advancements in recycling technologies continue to expand the possibilities for textile recycling, paving the way for a more sustainable future.

REUSABLE AND CLOSED-LOOP PRODUCTS



Galley equipment innovations that support circularity

To help our customers with onboard waste collection, we have developed and introduced several thoughtfully designed service equipment items, such as a reusable waste bag holder and an insert to collect recyclable drinking cups. These innovations will make the collection process easier, more efficient, and ultimately, play a small part in helping our clients reach their circularity goals.

Circular amenity kits

In 2023, we signed an exclusive agreement with a good company, a Swedish brand renowned for its commitment to environmental responsibility, to incorporate its pouches, socks, eye shades, and dental kits into the amenity kits we offer our airline customers. With transparency and circularity in mind, each product features a QR code with information about the item's origin, production methods, and end-of-life options, encouraging passengers to make informed choices. This level of transparency aligns perfectly with deSter's commitment to bring circular products to the market.



Muni, fiber-based hot meal solutions and paper board cutlery

COMPOSTABLE FIBER-BASED PRODUCTS



Paper board cutlery

After introducing paper board cutlery in 2022, we further developed our concepts and boosted production capacity in 2023. We have introduced three additional production lines, including one in our Thailand factory, to enable local manufacturing for the Asian market. In addition to existing customers who are already using our paper board cutlery – such as McDonald’s, Virgin Atlantic and Brussels Airlines – we also introduced these eco-friendly alternatives to Lufthansa, Saudi and Etihad Airways. Made from FSC-certified paper and fully compostable, our cutlery has a better mouthfeel and lower environmental impact compared to standard wooden cutlery. We are currently developing additional designs for our customers.

Flustix certified coating-free cups

After successfully introducing our Flustix certified paper cup to Cathay Pacific in Asia last year, we expanded this coating-free innovation around the world in 2023. We are delighted to see our customers, like Lufthansa, Norse and Eurowings in Europe and Azul in South America, use deSter’s state-of-the-art paper cups on board. By eliminating traditional polyethylene coatings, our home compostable solution, which has been endorsed with the Flustix certificate, has now become our global standard in sustainable single-use inflight cups.

Grip collection with transparent lids

For consumers, seeing the food inside packaging and takeaway containers is crucial, especially in the grab-and-go market. That’s why many companies opt for plastic lids while transitioning to compostable fiber packaging. To provide a more sustainable solution, spotting an opportunity to provide visibility in a more sustainable way, we have developed fiber-based lids with an integrated fully compostable film, made of cellulose, that provides excellent transparency and makes the entire packaging compostable. The lids are available in several styles, including our latest Grip collection. Tailored for on-the-go consumption, the Grip collection features an exclusive shape that fits comfortably in the hand.

COMPOSTABLE FIBER-BASED PRODUCTS



IkonPack Earth Tray range

In 2023, we developed and launched fully certified compostable meat trays for IkonPack, a leading packaging supplier for the Australian and New Zealand food industries. Replaces the widely used plastic foam (EPS) trays, our innovative Earth trays feature ribs to enhance strength and separate excess moisture from the packaged product. In addition, the interchangeable bottom logos allow for flexible branding possibilities.

In-house production of fiber-based packaging

Following multimillion-dollar investments in our Thailand plant last year, we officially started wet molded fiber production in June 2023. Currently, we have four molding machines in a 1,000-square-meter molding hall. Wet-molded fiber is made from agricultural waste, such as sugarcane or recycled paper, reducing the need for new materials. It is suitable for a wide range of products and is both recyclable as well as compostable.

We are currently mass producing meat trays for Ikon; salad bowls, lids and casserole dishes for Delta Airlines; and our own in-house designed Ridge collection. The bowls and lids in our Ridge collection, which are spill-proof and microwave-safe, are perfect for delivery, takeout, deli goods and events.

SUSTAINABILITY APPROACH

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#PEOPLE PLANETPRODUCT

“SUSTAINABILITY IS AT THE HEART OF EVERYTHING WE DO”

The famous polar explorer and environmentalist 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 future – that’s why sustainability is at the heart of everything we do. As a forward-thinking designer and global manufacturer, we prioritize environmental protection, social responsibility, and economic sustainability across our operations.

We use the ESG (Environmental, Social, and Governance) framework to define our focus, measure our impact, and share our findings. Our strategy, built on extensive assessments over the years, was further strengthened in 2023 by incorporating a double materiality assessment, in

line with the European Sustainability Reporting Standards (ESRS) guidelines of the European Corporate Sustainable Reporting Directive (EU CSRD).

To communicate our ESG strategy clearly, we summarize our approach in three simple words:

#PeoplePlanetProduct.

People: We care for our employees, customers, stakeholders in our supply chain, and surrounding communities.

Planet: We strive to achieve a net-zero carbon footprint, reduce operational waste and protect biodiversity.

Product: We develop, produce, and sell products following circular economy principles and responsible resource usage.

We’ve established Key Performance Indicators (KPIs) to measure our progress. The full list of goals and KPIs can be found at the end of this report.

Contribution to the Sustainable Development Goals

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

We have aligned our sustainability targets with 12 of the 17 SDGs, where we can make the most impact and will continue to measure progress in these categories. More details on deSter’s targets can be found in the addendum.

SUSTAINABLE DEVELOPMENT GOALS												
PEOPLE				PLANET			PRODUCT					
3	5	8	10	6	7	13	9	12	14	15	17	
GOOD HEALTH AND WELL-BEING	GENDER EQUALITY	DECENT WORK AND ECONOMIC GROWTH	REDUCED INEQUALITIES	CLEAN WATER AND SANITATION	AFFORDABLE AND CLEAN ENERGY	CLIMATE ACTION	INDUSTRY, INNOVATION AND INFRASTRUCTURE	RESPONSIBLE CONSUMPTION AND PRODUCTION	LIFE BELOW WATER	LIFE ON LAND	PARTNERSHIPS FOR THE GOALS	



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, probono work and donations

ESRS S1 Own Workforce
ESRS S2 Workers in the value chain
ESRS G1 Business conduct (see Governance section)



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

ESRS E1 Climate change
ESRS E2 Pollution
ESRS E3 Water and marine resources
ESRS E4 Biodiversity and ecosystems



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

ESRS E5 Resource use and circular economy
ESRS S4 Consumer and end-users

DOUBLE MATERIALITY ASSESSMENT

OUR APPROACH

Context

In 2021 and 2022, we defined our sustainability targets and key deliverables based on the UN Sustainable Development Goals (SDGs), internal surveys, and a series of internal assessments, which evaluated our environmental, human rights and ethical risks and impacts. Meanwhile, our EcoVadis assessments identified gaps and areas of improvement. We shared the outcome with our clients, consultants, and employees for further review and feedback. This process helped us define our ESG strategy, summarized in our #PeoplePlanetProduct initiative.

In 2023, we set out to fortify our ESG strategy and further identify the most significant sustainability topics for deSter to focus and report on by conducting a Double Materiality Assessment (DMA), in line with the European Financial Reporting Advisory Group (EFRAG)'s implementation guidance. deSter's ESG strategy and DMA consider all products and services offered by

the deSter Group, a virtual group that represents all deSter entities. Several of these entities report separately to our parent company, gategroup. As a result, we do not currently produce a consolidated financial report encompassing all entities within the deSter Group.

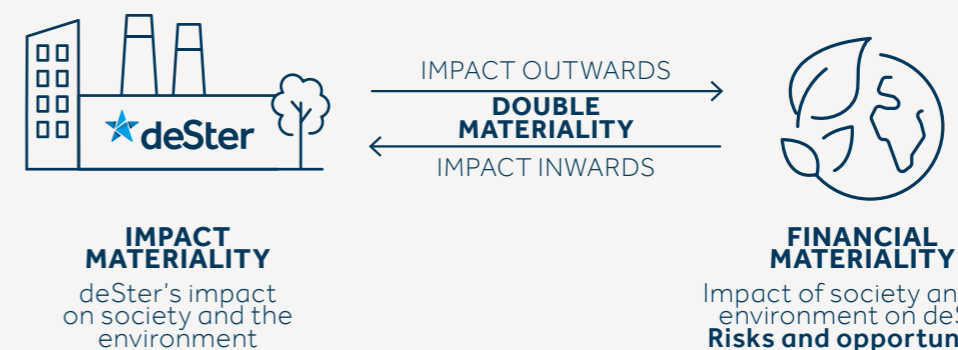
Our parent group, a Switzerland-based company with substantial business in the European Union, is required to report on their environmental and social impacts and risks, according to the EU's Corporate Sustainability Reporting Directive (CSRD). The European Sustainability Reporting Standards (ESRS), a set of guidelines companies must follow when reporting on ESG issues under the CSRD, will begin requiring global consolidated reporting for non-EU parent companies at the beginning of 2025, with reports due in 2026. This will make separate official external reporting for gategroup's EU entities, including deSter entities, redundant. Therefore, the entities will share their ESRS disclosures (as defined via the DMA of our parent company) internally at the parent group level.

Although it is not required, deSter has made a strategic decision to conduct reporting according to the ESRS standards at the deSter Group level on a voluntary basis. ESRS standards not only provide external verification but also offer a holistic framework for our ESG strategy that aligns with many of our customers and peers, enabling us to communicate our performance in a transparent way. We have defined our ESG strategy, which we have encapsulated in our #PeoplePlanetProduct initiative, and executed our DMA at the deSter Group level.

Methodology

Our DMA evaluated materiality on two levels:

- **Impact materiality:** positive and negative impact on the world, especially in relation to society and the environment
- **Financial materiality:** The impact on our business by society and the environment, translated into financial risks and opportunities.



With the support of BDO – an accounting, tax, consulting and business advisory firm – deSter created a long list of potential material issues based on previous assessments and the material matters established by ESRS 1, AR 16 (a comprehensive list of ESRS topics, sub-topics, and sub-sub-topics), including sector specific research on ESRS topics.

Our DMA assessed the positive and negative impacts our company has on society and the environment (impact materiality) based on six factors: scale, scope, irremediability, likelihood, impact location, and timeframe. To establish a quantitative measure, we calculated an impact material score from 1 to 5 for each topic and included an explanation for the scoring.

We calculated the scores as follows: First, we assigned a severity score to each topic based on its scale, scope and irremediability. We then multiplied the severity score by the likelihood of actual impact, resulting in an impact materiality score from 1 to 5. Any topic with a score greater than or equal to 2 was considered material. In addition, topics with the highest severity scores were also assessed to be material, since they have actual negative impacts on people or the environment.

For the risk and opportunities assessment (financial materiality), we evaluated topics based on three factors: likelihood, impact, and impact location in the value chain, accompanied by an explanation for the scoring. To determine each topic's impact score, we collaborated with deSter's auditor and set a baseline of 1 million euro. On a scale of 1 to 5, an impact score of 3 meant a financial consequence of at least 1 million euro. After calculating impact scores (1-5) and likelihood scores (1-5), we multiplied these factors to determine the inherent risk on a scale of 1 to 25. Any topic with an inherent risk index above 9 was deemed material.

Where possible, we used actual data from previous due diligence processes and operations to inform our assessment.

After establishing the thresholds for impact and financial materiality, we reviewed all topics that exceeded these baselines. When sub-topics had different scores, we relied on the professional judgement of BDO and deSter experts to assess whether this interaction warranted a re-evaluation of the topic's materiality status. Our process resulted in a detailed list of material sustainability issues, which can be found later in this chapter.

Stakeholder engagement

We did not engage external stakeholders in our 2023 DMA, since we had already done so in the years prior. On the following page, you will find an overview of deSter's main stakeholder groups, how we engage with them on a regular basis, and their primary expectations. When assessing the topics for this DMA, we relied on a combination of stakeholder insights, the expertise of key internal experts, and previous assessments.

We enlisted one dedicated expert group to evaluate the environmental topics while another assessed the social and the governmental topics. The environmental expert group includes three key contributors: deSter's Director Sustainability and ESG, our CCO Travel and ESG, and our Environmental Footprint Manager.

Meanwhile, the social expert group was composed of five people: deSter's Director Sustainability and ESG, the CCO Travel and ESG, the Director and Senior Legal Counsel, our People and Culture Specialist, and our Sustainability and ESG analyst.

We held separate meetings to assess the positive and negative impacts (impact materiality) and the risks and opportunities (financial materiality) during our 2023 DMA.

Validation

After deSter's ESG core group (which comprises deSter's Managing Director,

the CCO Travel and ESG, and the Director Sustainability and ESG) determined the final material factors, the deSter leadership team validated them.

Representing employees from different regions, the leadership team includes the Managing Director, the CCO Travel and ESG, the CCO Foodservice, the Vice President of Finance, the Vice President of Manufacturing, the Vice President of Procurement, the Vice President of Supply Chain and Digitalization, the Vice President of Business Support, the Vice President of Human Resources, and the Director and Senior Legal Counsel.

We believe the outcome of our DMA has painted an accurate picture of our company's sustainability impact and risks. As a result, we have been able to refine our ESG strategy, also known as our #PeoplePlanetProducts initiative, with specific targets. Based on these targets, we created a comprehensive list of Key Performance Indicators (KPIs) to measure our progress and results. The full list of all targets and KPIs can be found at the end of this report. Please find more detailed information on the results of our DMA in the following pages.

STAKEHOLDER INTERESTS AND VIEWS

The next page provides an overview of deSter's main stakeholder groups, their expectations, and how we engage with them on a regular basis. Thanks to continuous dialogues, we have received valuable feedback and input from our stakeholders that have informed our DMA and ESG strategy.

As deSter is a client-focused company, we hold frequent discussions about our ESG strategy and performance with our clients. Together with feedback from our other stakeholders, these conversations help us continuously fine-tune our strategy and actions.

STAKEHOLDER ENGAGEMENT AND EXPECTATIONS

Affected stakeholders	State of engagement	Direct or indirect communication	Stakeholder expectations
Consumers	Regularly testing our products with consumers on location	Direct and indirect	<ul style="list-style-type: none"> Safe and environmentally friendly products Ethical sourcing High ESG expectations overall
Contractors (Service providers on site)	Contractual	Direct and indirect	<ul style="list-style-type: none"> Same treatment as employees
Customers (Food-service & aviation)	Partnerships (especially in the case of equipment management services), presentations, co-development workshops, testing and contractual relationships	Direct	<ul style="list-style-type: none"> Safe and environmentally friendly products Ethical sourcing High ESG expectations overall Continuous improvement and innovation Compliance with local and global regulations
Employees/employee representatives	Interaction with managers and employees, surveys and employee representatives' meetings	Direct	<ul style="list-style-type: none"> Safe working environment Ethical business approach Environmental actions and low impact on planet Fair working conditions and remuneration Care for the well-being of employees Sense of belonging Good development opportunities and meaningful work
Global community	Social media, press releases	Indirect	<ul style="list-style-type: none"> Transparency No negative impact
Local communities	Company tours, local press, trainings, donation, setting up local initiatives to support local communities (e.g., clean-ups, education, etc.)	Direct and indirect	<ul style="list-style-type: none"> To be considered For the company to add value to their community Make positive impact on environmental and social aspects (no negative impact, e.g., pollution)
Supplier employees	On-site audits and external audits	Direct and indirect	<ul style="list-style-type: none"> To be heard and considered
Suppliers	Regular ESG discussions, improvement updates on specific topics, partnerships with targeted suppliers, on-site audits, supplier code of conduct	Direct	<ul style="list-style-type: none"> Good business relationship Shared expectations Clear communication
Investors	Board meetings, company visits	Direct	<ul style="list-style-type: none"> Sustainability and profitability Vision and performance
NGOs	Meetings, workshops, volunteering, social media	Direct	<ul style="list-style-type: none"> Transparency and accountability Collaboration Investments and positive contributions towards global ESG goals
Customer third-party services (e.g., catering, washing partners)	Meetings, tests, trials, feedback	Direct and indirect	<ul style="list-style-type: none"> Compliance with local regulations High product functionality Low- or zero-waste products



Ridge, compostable bowls range

GENERAL DOUBLE MATERIALITY OUTCOME

After identifying our impact materiality and financial materiality assessment, we were able to identify the main ESRS topics and sub-topics. For each sub-topic, we outlined the negative and positive impacts, as well as the risks and opportunities in detail. The results can be found in the next chapter, "Material sustainability topics".

To generate a clear picture of the significance of each ESRS topic and the relationship between them, we created a consolidated overview based on the combined impact and financial materiality scores. Presented as a graph, below, this overarching visual helps our internal and external stakeholders understand which ESRS topics are most relevant to deSter.

According to our DMA, 9 out of the 10 ESRS topics are material. Topic E5 (Re-

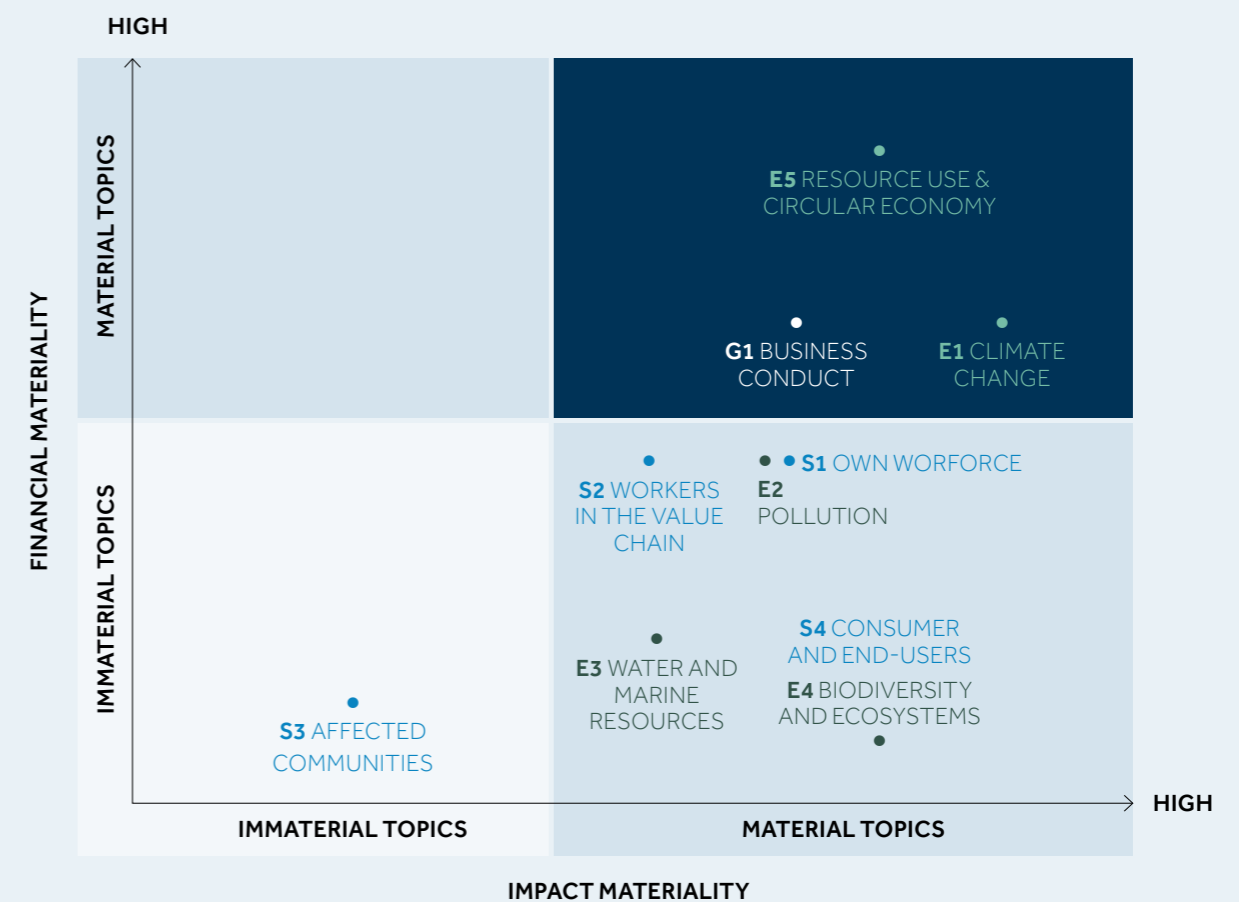
source Use & Circular Economy) and E1 (Climate Change) are most important for our company. They are also closely linked: E5 relates mainly to our shift towards compostable and reusable products and our use of renewable resources, which are the main drivers in our efforts to reduce our carbon emissions. G1 (Business Conduct) primarily relates to differentiating ourselves in the market by avoiding product homogeneity and anticipating regulatory changes.

S1 (Own Workforce) and S2 (Workers in the Value Chain) reflects the worker conditions for our employees, as well as those in our value chain. Meanwhile, E2 (Pollution) and E3 (Water & Marine Resources) are material for deSter, because they relate to potential pollution and water resources use resulting from our operations, as well as potential downstream waste caused by our products. We also consider E4 (Impact on Biodiversity) to be material, because it links to the negative impact on nature and animal habitats caused by the ex-

traction of resources, such as paper and fibers, to make our products. As most of our products are created for food applications, the health and safety of the end-consumer, S4, requires continuous attention.

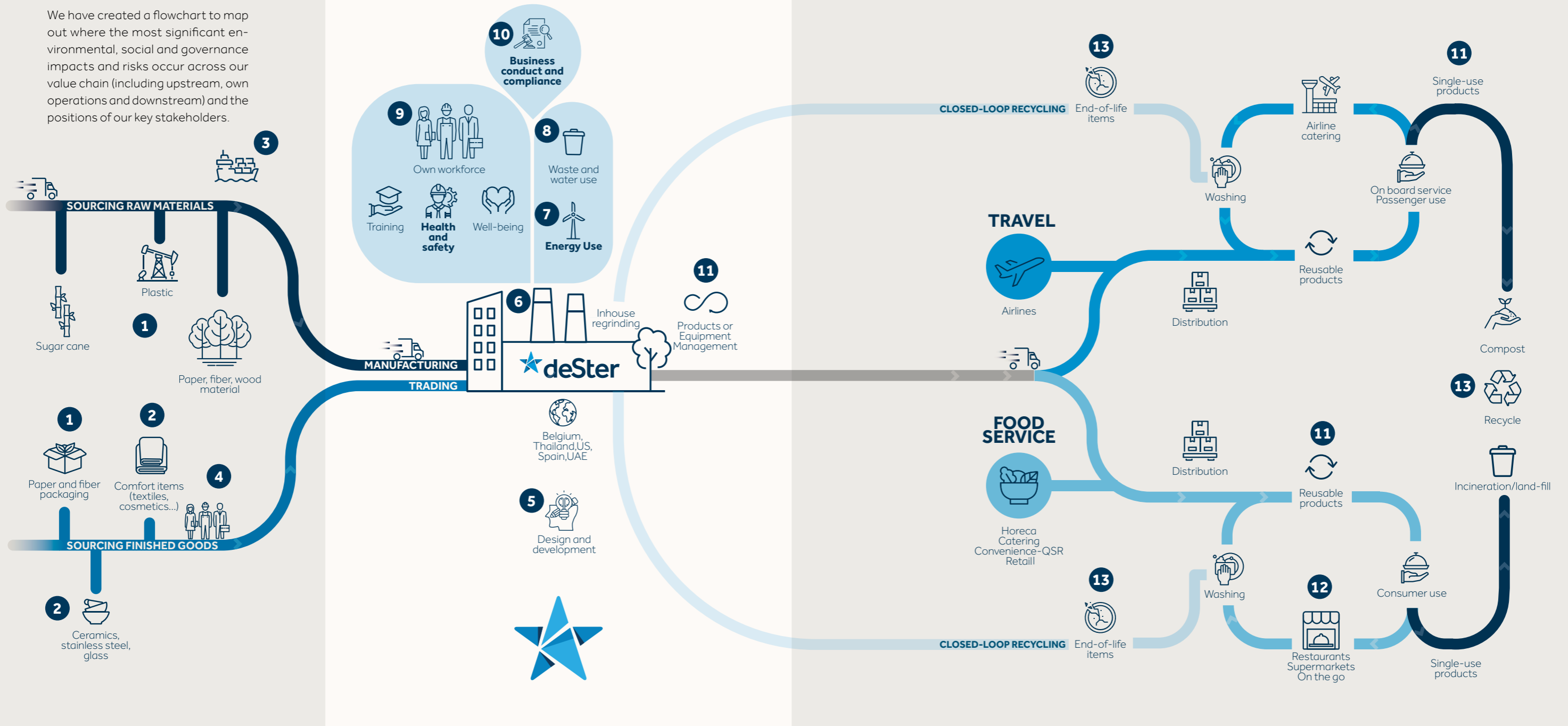
S3 (Affected Communities) is not material, as we have no relevant impact on, nor do we pose a risk to, the environmental, economic, social or cultural rights of local communities. Even so, we have incorporated community outreach into our strategy with a focus on plastic waste prevention through education and activities.

The following chapter explains where our main impacts and risks occur throughout our value chain. Moreover, we have shared our response to the effects of each material factor in depth in the Governance, People, Planet and Product chapters.



OUR VALUE CHAIN

We have created a flowchart to map out where the most significant environmental, social and governance impacts and risks occur across our value chain (including upstream, own operations and downstream) and the positions of our key stakeholders.



UPSTREAM

1. Resource extraction
2. Climate impact purchased materials and goods
3. Climate impact transport
4. Supplier due diligence, Supplier engagement

OWN OPERATIONS

- | | |
|--|--|
| 5. Circular economy approach | 9. Training and Development, Health & Safety, Well-being, Wages, Employee Engagement |
| 6. Resource outflows | 10. Business conduct and Regulatory Compliance |
| 7. Emissions, Energy use and Energy availability | |
| 8. Waste, pollution and water use | |

DOWNSTREAM

11. Circular economy products and business models
12. Consumer Health & Safety
13. Waste management downstream

Suppliers
Workers in the value chain

Own employees
Contractors on site
Investors
Local governments/policy makers
Local communities

Customers travel and foodservice

Customer's third party services (catering, washing...)

End-users

NGOs, Society, Earth



MATERIAL SUSTAINABILITY TOPICS

We are pleased to share a detailed description of the negative and positive impacts, as well as the risks and opportunities, for our key sustainability sub-topics. For each sub-topic, we have defined a materiality level, which determines its importance in our ESG strategy, the extend of our actions, and the depth of our reporting.

Materiality levels:

- **Key:** A major focus of our ESG strategy
- **Manage:** The topic is under control; however, requires continuous improvement and attention
- **Report:** We Share the status of this topic for transparency (often related to more information about positive impact)

In the table on the next few pages, we have indicated where each sub-topic fits within our #PeoplePlanetProduct initiative. For more information about our approach, metrics and mitigation actions on each sub-topic, please read the Governance, People, Planet and Product chapters of this report.

ENVIRONMENT

E1 CLIMATE CHANGE		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
CLIMATE CHANGE MITIGATION & ENERGY		KEY	PLANET
Impact	Contribution to global warming via GHG emissions from our own operations and value chain	More than 96% of our GHG footprint falls under Scope 3 emissions, owing to the goods and materials we purchase from our suppliers, upstream transport, and the end-of-life treatment of our products.	
Risks	Dependency on gray energy (energy produced from polluting sources); investments needed to transition to green energy	We are gradually investing in renewable energy and generating our own green energy.	
	Non-compliance with regulations, reputational impact, failure to fulfill customer expectations.	If we fail to decrease our footprint, it could potentially impact our reputation and incur legislative fines. What's more, we could also lose business if we do not actively shrink the carbon footprint of our products to meet market demands.	
CLIMATE CHANGE ADAPTATION		KEY	PLANET
Risks	Physical risks, pandemics	Climate change is fueling disease outbreaks and epidemics. It is not a matter of if, but when, such events will precipitate another pandemic. As the airline sector is sensitive to pandemics, future outbreaks could impact our business. By diversifying our business between airline and foodservice, we seek to mitigate this risk.	
E2 POLLUTION		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
SUBSTANCES OF CONCERN		KEY	PRODUCT/ PLANET
Impact	Chemicals used in our products	deSter uses limited amounts of chemicals of concern and ensures their presence always remains under the REACH thresholds. We are proactively phasing out packaging made from Polystyrene (PS) or containing Per- and polyfluoroalkyl substances (PFAS) because these materials pose health and environmental concerns. When used, their presence is always within the regulatory thresholds.	
Risks/opportunities	Proactive phase-out of PS and PFAS	We've committed substantial time and investment to phasing out of PS and PFAS. Our proactive effort will ensure we meet both regulatory requirements and customer expectations in the future.	

POLLUTION OF SOIL AND WATER/WASTE DOWNSTREAM

		KEY	PRODUCT
Impact	Pollution caused by mismanaged waste	Without a clear waste-management system for our customers to follow, deSter products can end up in the environment, polluting soil and water or creating micro-plastics. (Note: our customers in aviation, the core segment of our business, must follow strict waste-management rules). We are actively working to transition to reusable products, develop closed-loop recycling systems, and create products that can be composted at home. See also, Biodiversity.	

POLLUTION OF SOIL (OWN OPERATIONS)

		MANAGE	PLANET
Impact	Potential leaks from operations	Potential impact on soil at our operation sites (e.g., plastic pellet spills, oil leaks, etc.)	

POLLUTION OF AIR (OWN OPERATIONS)

		MANAGE	PLANET
Impact	Emissions from our operations	During the manufacturing process at our sites, the combustion of natural gas and heating fuel leads to the emissions of volatile organic compounds (VOCs), NOx and SOx, as well as dust, particles and sound pollution.	

E3 WATER AND MARINE RESOURCES

		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
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WATER WITHDRAWAL, CONSUMPTION AND USE

		MANAGE	PLANET
Impact	Water used in Thailand operations	We use water during our manufacturing processes to make products, as well as for activities like cooling and cleaning. Water usage varies greatly from site to site. As our factory in Thailand is the only facility in water-stressed region and also consumes the most water, we have assessed this topic to be material only in relation to our Thailand site.	

E4 BIODIVERSITY & ECOSYSTEMS

		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
--	--	-------------------	------------------------

Biodiversity loss due to land use change (upstream)

		KEY	PRODUCT
Impact	Impact on land use by sourcing paper, fiber and wood	We use paper, fiber and wood to make our products. These materials are risk categories in terms of deforestation, which has a high impact on biodiversity. We cannot use recycled fiber materials to make food contact safety products, so it's important to source virgin fiber materials responsibly (e.g., from FSC-certified suppliers, EU Deforestation regulations compliance, etc.) and monitor our suppliers. Note: deSter is a FSC-certified company.	

Biodiversity impact on ecosystems (downstream)

		KEY	PRODUCT
Impact	Impact on ecosystems caused by mismanaged waste	Without a clear waste-management process for our customers to follow when disposing of our products, deSter items can end up in the environment. This could lead to environmental degradation (e.g., due to microplastics) and have negative impacts on biodiversity. (Note: our customers in aviation, the core segment of our business, must follow strict waste-management rules). See also Pollution of Soil/ Water, and Resource Use & Circular Economy.	

E5 RESOURCE USE & CIRCULAR ECONOMY		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
RESOURCE INFLOWS		KEY	PRODUCT
Impact	Use of virgin, renewable and recycled materials to make our products	Resource extraction has a negative impact on the environment. We have been shifting to reusable products (reducing our overall resources usage) and harnessing renewable and recycled resources.	
Risks	Availability of raw materials and price fluctuations	Recycled and renewable resources are expensive, and the prices can have an impact on our margins and turnover.	
RESOURCE OUTFLOWS		KEY	PRODUCT
Impact	Circularity level of our products	We are actively working toward a product portfolio that's 100% circular. In the meantime, we are still adjusting some products to become compostable or reusable. Regulations on single-use plastics have accelerated this transition.	
Risks	Decreased demand for non-circular products and potential fines if non-compliant with regulations	Potential loss of market share if we do not invest in developing circular products that meet market demands and regulations.	
Opportunity	Revenue streams from new business models	Revenue opportunities by switching to new business models (e.g., leasing), products (e.g., creating compostable and reusable products), and/or entering new markets.	
WASTE (DOWNSTREAM)		KEY	PRODUCT
Impact	Products become waste at end-of-life	Our non-reusable and non-recycled packaging become waste at end-of-life. This applies mainly to single-use packaging, boxes, cutlery, and cups. We have already worked with some customers to develop closed-loop recycling processes for our reusable products. Still, waste management remains a challenge in our markets. For airlines, more than 70% goes to landfill. The rest is incinerated (due to CAT 1 regulation). For our foodservice business, there is less control. (e.g., food on the go). Note: We cover waste that ends up in nature under the topics linked to pollution & biodiversity).	
WASTE (OWN OPERATIONS)		MANAGE	PRODUCT
Impact	Waste generated from our production sites	Our three production facilities generate waste. More than 90% of that waste is non-hazardous and more than 60% is recycled. We further mitigate the negative impact of our operational waste by continuously working on reducing and recycling our waste.	

SOCIAL

S1 OWN WORKFORCE		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
Equal treatment and opportunities for all		KEY	PEOPLE
Impact (positive and negative)	Training and development	We have several training programs in place, as well as a robust feedback and performance process. Based on our global employee survey, our employees have identified learning, feedback and development as key topics to further improve upon.	
	Equality, equal pay and adequate wages	We need to take further action on this topic, based on our yearly pay gap analysis and living wage benchmark. We are a diverse organization with a high rate of different nationalities and an approximately 50/50 representation of men and women. Still, extra attention is needed to increase the share of women on our leadership teams.	
HEALTH AND SAFETY		MANAGE	PEOPLE
Impact	Potential safety issues in operations	We've identified a wide range of potential safety issues: buildings and premises, machinery and tools, maintenance, transportation and storage, a risk of falling, personal protection, hazardous substances, noise and ear safety, ergonomics and health protection. The likelihood of the impact remains low, thanks to several preventive measures in place, however, we will continue to manage and improve our health and safety standards.	
WELL-BEING AND WORK-LIFE BALANCE		MANAGE	PEOPLE
Impact (positive and negative)	Positive impact on well-being and work-life balance with continuous improvement	Feedback from our employee survey showed high appreciation for the flexibility of colleagues and managers, initiatives promoting work-life balance (e.g., team and sports activities), and the possibility for flexible working hours and home offices. Nevertheless, we still need to improve in areas such as working hours, processes, feedback and communication.	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		REPORT	PEOPLE
Positive impact	Freedom of association, the existence of workers' councils, and the information, consultation and participation rights of workers	At every location where it is mandated by law, we have established workers' councils that meet regularly. In places without councils, employee representation is organized. We act diligently not to interfere with union operations and promote an open dialogue between employer and employee representation. We also have a whistleblower program (the anonymous Speak-Up Line) in place.	
	Collective bargaining and bargaining agreements	At every location where it is mandated by law, we negotiate collective bargaining agreements and confirm employee compensation and benefits that go well beyond the minimum legal requirement. Where in effect, such collective bargaining agreements cover 100% of local staff.	

S2 WORKERS IN THE VALUE CHAIN		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
WORKING CONDITIONS		KEY	PEOPLE
Impact (positive and negative)	deSter sources from a sector with a high pressure on cost, which could affect worker health and safety, working hours, and adequate wages or create conditions for forced labor	To manage our suppliers, we have a holistic, sustainable due diligence process in place that considers environmental risks and working conditions. In addition to our code of conduct, which all our suppliers must agree to, we assess targeted suppliers based on their location and a commodity sector risk screening. When needed, we conduct an on-site ESG audit, which could result in a corrective action plan to help our suppliers improve and minimize risks.	

S4 CONSUMER AND END USERS		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
CONSUMER HEALTH AND SAFETY		MANAGE	PEOPLE
Impact	Food packaging physical and chemical safety	The safety of our food packaging and service ware is a critical factor. Many of our products are used in consumer-oriented applications in the food industry. Aspects of packaging safety include physical hazards and the presence of chemical substances. We have robust processes in place to limit safety risks at every stage of the process, from design to material and chemicals use, production and distribution. Furthermore, every deSter product complies with all food contact regulations. We also undergo regular audits on food safety and the production of food items (BRC, etc.). While this topic is well-managed, it is still important to pay constant attention to food packaging safety.	

GOVERNANCE

G1 BUSINESS CONDUCT		MATERIALITY LEVEL	#PEOPLE PLANET PRODUCT
PROTECTION OF WHISTLE-BLOWERS		REPORT	PEOPLE
Positive impact	Anonymous Speak-Up Line	We offer a global Speak-Up Line, which encourages and enables all stakeholders to share their observations anonymous, should they feel uncomfortable talking with a manager or HR partner. All Speak-Up Line cases are reported and investigated.	
MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS (SEE ALSO S3 WORKERS IN THE VALUE CHAIN)		REPORT	PEOPLE
Positive impact	Good management and due diligence of our suppliers to ensure compliance with our code of conduct.	Our sustainable supplier due diligence process addresses social and environmental topics in relation to our suppliers. In addition to our code of conduct, which all our suppliers agree to, we assess targeted suppliers based on location and a commodity sector risk screening. When needed, we may conduct an on-site ESG audit, which could result in a corrective action plan.	
INFORMATION SECURITY		KEY	GOVERNANCE
Impact and risk	Major cyber attacks	In addition to the misuse of company information, major cyber attacks can impact our operations, financial position, and jeopardize employee, customer and supplier data privacy. Although we consider the likelihood of impact low thanks to the current measures in place, the topic requires continuous attention.	
REGULATORY COMPLIANCE AND COMPLIANCE WITH ENVIRONMENTAL REGULATIONS		KEY	GOVERNANCE
Risk/opportunity	Risk of regulatory non-compliance	We operate in many jurisdictions, and the number of regulations is constantly increasing (especially related to the environment and our products). To keep track of all of the regulatory changes, we have appointed a product compliance manager to minimize our risk. This dedicated team member keeps deSter compliant and helps guide our customers.	
ANTI-COMPETITIVE PRACTICES/ANTI-TRUST - PRODUCT HOMOGENEITY (PRICE WARS)		KEY	GOVERNANCE
Risk/opportunity	Price wars due to product homogeneity	Tender processes from our customers protect against anti-trust issues. However, our products could be easily duplicated with price as the only differentiator, resulting in a loss of business. By continuing to invest in innovation and focusing on sustainability, we can avoid product homogeneity and potential price wars.	

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 certificates. 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.



ECOVADIS SUSTAINABILITY GOLD RATING 2023

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 2023 deSter achieved a Gold Rating. We were awarded with a score of 76 that places us at the top 2% of evaluated companies in our industry.



United Nations Global Compact

UN GLOBAL COMPACT

The UN Global Compact is a non-binding initiative launched by the United Nations in the year 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

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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.



FSC® CERTIFICATION

FSC® is trusted by NGOs, businesses, and consumers worldwide to protect healthy, resilient forests for all, forever. Today, they are 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.



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.



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.



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 reduce emissions in tourism by at least 50% over the next decade and achieve net-zero as soon as possible before 2050.



ISCC PLUS CERTIFICATION

Our factory in Belgium is ISCC PLUS certified. The ISCC PLUS certification is a widely recognized standard for recycled and bio-based materials, providing traceability throughout the supply chain and ensuring compliance with environmental and social standards.



THE SHIFT

The Shift is a 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.



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 to reduce waste and the use of resources. By signing the Green Deals Anders Verpakt, we commit to working actively on prevention (omission of the packaging, transport in bulk) and packaging reuse.



VLAIO DEVELOPMENT GRANT OF THE FLEMISH GOVERNMENT

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



CARBON DISCLOSURE PROJECT

The CDP (Carbon Disclosure Project) is an internationally recognized non-profit organization to which organizations disclose their data and mitigation measures related to their environmental impacts. It aims to make environmental reporting and risk management a corporate standard, help companies compare their performance, and communicate with customers. communicate with our customers.

GOVERNANCE

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CORPORATE GOVERNANCE AND RISK MANAGEMENT

As a member of gategroup, deSter subscribes to gategroup's compliance governance structure. The principles and rules of corporate governance practiced by gategroup are stipulated in the Articles of Incorporation, the Organizational Regulations of the Board of Directors, and the Charters of the Board Committees. These are reviewed regularly by the Board of Directors and adapted as needed. More details are available on the Corporate Governance page of the gategroup website.*

To actively manage Governance, Compliance and Risk, gategroup has established the Global Risk & Compliance Committee (GRCC), which meets quarterly and consists of gategroup's Executive Management Board and additional subject matter experts. The company's Chief Legal Officer chairs the GRCC. In addition, gategroup has established regional Business Risk & Compliance Committees (BRCCs), which also meet quarterly.

One of the regional BRCCs is specific to deSter and is chaired by deSter's Regional General Counsel. In 2023, deSter demonstrated its committed to a systematic, comprehensive approach to managing potential opportunities and

adverse effects by adopting the best practices in strategic risk management. We follow gategroup's risk management system, which is aligned with the ISO 31000:2009 Risk Management Standard supported by an ongoing education and training program.

The scope of risk management includes the identification, assessment, and mitigation of strategic risks, periodic risk monitoring and reviews, and risk communication and reporting, among other efforts. We identify ESG risks through our human rights and ethics risk assessment, supplier risk assessment, supplier due diligence, and our double materiality assessment.

*<https://gategroup.com/corporate-affairs/corporate-governance/>

BUSINESS CONDUCT

G1 BUSINESS CONDUCT

OUR APPROACH, POLICIES AND TRAINING

Our commitment to ESG not only pertains to our #PeoplePlanetProduct targets and metrics, but also our core values as a business. With our code of conduct, we ensure that we operate in an honest, ethical and lawful manner. Our Ethics program aims to foster a culture of integrity that goes beyond legal compliance. It is a continuous learning process that helps employees build their ethical sensitivity and provides guidance on expected behavior in interactions with stakeholders.

We have established the following global policies related to business ethics: business code of conduct (including whistleblower protection), anti-corruption and anti-bribery, anti-money laundering, anti-competition and anti-trust, conflict of interest, data privacy, fair dealing with business partners, cash management, bank account and bank relationship management, security, information security, acceptable IT use, sanctions, and sustainable procurement.

All our policies have been approved by the deSter Leadership Team and our

CEO. More information on our integrated team can be found in the Sustainability Approach section of this report. We encourage our staff to share their concerns and report any policy violations or inappropriate behavior by speaking with their immediate supervisor or HR representative, contacting a member of the legal team, or speaking via our confidential independent whistleblower service, the Speak-Up Line. In addition to deSter team members, external stakeholders may also use the Speak-Up Line to raise concerns.

deSter has established, communicated, and trained its staff on a wide array of policies that have been developed on a risk-based methodology. In 2023, we executed two specific legal compliance training courses: one on information security and data protection (completed by 379 employees and another on competition law (completed by 127 employees).

In addition to providing e-learning resources, we also held in-person classroom training sessions on legal compliance topics, such as anti-competitive practices and anti-trust, for designated sales groups. We continuously monitor and improve our policies based on acquired experience and our risk management process. We also use EcoVadis

to review our ESG performance, which includes policy requirements.

In 2022, we focused on thorough review, training and communication of all our ethics policies. Building on this foundation, we implemented mitigation actions resulting from the 2022 ethics risk assessment and refined some of our policies in 2023.

We also confirmed the most important topics related to governance and ethics, based on our double materiality analysis, ethics risk assessment and ESG strategy.

They are:

- Whistleblower program
- Information security
- Anti-competitive practices, anti-trust, product homogeneity and price wars
- Regulatory compliance: Specifically, product and environmental compliance
- Relationship management with suppliers and due diligence, which will be discussed in the People section, under Sustainable Procurement.

ESRS TOPICS RELATED TO GOVERNANCE AND BUSINESS CONDUCT

G1 Business conduct	Impact, risk, opportunity
Protection of whistleblowers	Positive impact from the anonymous Speak-up Line
Information security	Impact of major cyber-attacks. Keeping data secure is crucial.
Anti-competitive practices: Anti-trust, product homogeneity, price wars	Our customers' tender processes safeguard against anti-trust issues Risk and opportunity to avoid price wars by investing in innovation and differentiation
Regulatory compliance (product and environmental)	Risk and opportunity of regulatory (non-) compliance
Relationship management with suppliers (Addressed under S3 Workers in the value chain and discussed under People/Sustainable procurement)	Positive impact from our sustainable procurement supplier due diligence process

WHISTLEBLOWER PROGRAM: INTEGRITY LINE

deSter provides a whistleblower system, the Speak-Up Line, which is accessible online and by telephone. The system is hosted by an external provider to guarantee anonymity if desired by the reporter. The Speak-Up Line is designed for employees, but external stakeholders, such as suppliers and business partners, may also use it to report issues.

This system, which follows the applicable regulations from the EU Whis-

tleblowing Directive and its national transpositions, is actively promoted through various channels across the group and on the public website. Cases originating from or relevant to deSter are handled at the deSter level, with quarterly reporting to gate-group's GRCC.

In the 2023 reporting period, no Speak-Up Line cases were related to deSter.

	2020	2021	2022	2023
Whistleblower cases identified	1	2	5	0
Number of cases resolved	1	2	5	0

INFORMATION SECURITY

Approach

As data security is critical to our business, we are committed to maintaining high standards. Our comprehensive strategy includes several key elements, including adhering to strict regulations, protecting sensitive information, and proactively defending against ever-evolving cyber risks. In addition to protecting data security, this approach also ensures smooth operations.

Our Global Information Security and Data Privacy Policy demonstrates our commitment to efficiently managing our infrastructure and securing information, whether in electronic or physical form. The increasing prevalence of cyber threats, such as ransomware and phishing attacks, poses a significant risk, making robust IT security essential for uninterrupted operations.

Our data privacy policy underlines deSter's determination to comply with data privacy laws in all jurisdictions in which it operates. All employees are trained and made aware of our policies to ensure they handle and protect sensitive personal and business data according to our principles.

Actions

In line with gategroup's IT governance structure, deSter undertook a range of measures to ensure our information security processes are ready to prevent and mitigate possible risks. In 2023, we:

- Performed phishing simulation attack campaigns
- Trained employees on cyber risks and how to manage them
- Regularly evaluated and remedied our system's vulnerabilities
- Ran pen tests on our IT environment to optimize its integrity
- Scheduled third-party audits to ensure our systems align with the highest cybersecurity frameworks (such as NIST, ISO 27001, CIS, etc.)

- Conducted a Cybersecurity Awareness campaign in October 2023 for employees globally, providing weekly tips on topics like password security, data privacy, and phishing alertness alongside detailed guides

ANTI-COMPETITIVE PRACTICES, ANTI-TRUST, PRODUCT HOMOGENEITY AND PRICE WARS

Ever watchful of anti-competitive practices and anti-trust issues, we regularly train targeted employees, such as our sales team, on these topics. (See the earlier section, Approach, Policies and Training). We actively avoid the risk of product homogeneity and price wars through our sustainable #PeoplePlanetProduct business practices and a continuous drive to develop innovative products and services.

PRODUCT AND ENVIRONMENTAL REGULATION COMPLIANCE

Approach

Regulations have a significant impact on our business and sustainability strategy. To maintain compliance, our products must meet constantly changing sustainability, health and safety requirements. It is crucial that we closely monitor regulations and their impact, so we can take concrete actions and inform our customers. Given the Scope of this responsibility, we hired a dedicated product compliance expert in 2023.

Actions

- We invest considerable time and effort in monitoring relevant European legislative developments, especially related to:
- European Packaging & Packaging Waste Regulation ("EU PPWR") and Ecodesign for Sustainable Products Regulation ("ESPR")
 - Plastic taxes
 - Recycled plastics, microplastics and PFAS (Per- and polyfluoroalkyl substances)

We will continue our efforts in 2024, supplementing with a strategic initiative to create a Consumer Health & Safety Roadmap. As part of this roadmap, we will develop a more substantial Consumer Health & Safety Policy and, in cooperation with the company's Quality Department, an adequate Consumer Health & Safety Procedure.

More details on product compliance can be found in the Product section under Sustainable products and Product compliance.

CORRUPTION AND BRIBERY

While our double materiality assessment did not identify corruption and bribery as significant risks, deSter has chosen to proactively monitor these issues as part of our commitment to ethical business practices.

Approach

Our organization has implemented comprehensive policies and procedures designed to prevent and detect any potential incidents of corruption or bribery. Key preventive measures include: our anti-corruption policy, training programs and our Speak-Up Line.

Actions and monitoring

During the 2022-2023 reporting period, there were no confirmed incidents of corruption or bribery within our organization thanks to our anti-corruption policies.

We maintain the highest standards of ethical conduct and comply with all relevant anti-corruption laws and regulations. In addition, we continuously monitor compliance through a combination of internal audits and regular reviews by the compliance team. With these efforts, we strive to ensure our preventive measures remain effective as well as up to date with the latest legal requirements and industry best practices.



On-site audit, Belgium



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

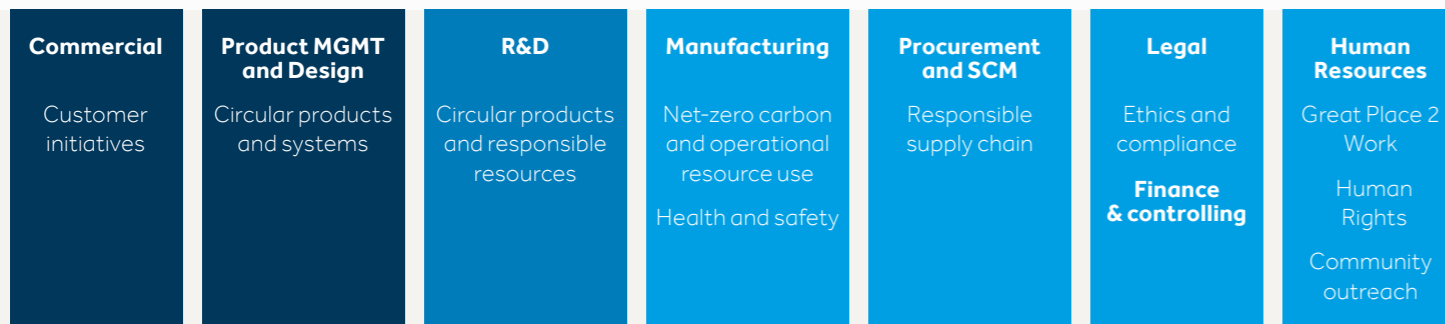


Veronica Pino Palacio
Sustainability and ESG Analyst



Fien Van Den Heuvel
Environmental Footprint Manager

DESTER LEADERSHIP TEAM



THE ESG AMBASSADORS



Ekaterina Byankina
Marketing and Communication

Britt Colin
Graphic Design

INTEGRATED ESG TEAM

ERSRS 2

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 multidisciplinary ESG community. Each ambassador handles a specific ESG topic and is responsible for the progress of targets in that area (e.g. Great Place 2 Work). 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 team regularly updates the whole deSter organization during our virtual global townhall meetings and in our internal newsletter.

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OUR PEOPLE GOALS



<p>BE "GREAT PLACE 2 WORK"</p>	<p>2025</p>	<p>Become a reliable employer that takes care of its employees</p>	
<p>ESTABLISH A FULLY COMMITTED SUPPLY CHAIN</p>	<p>2025</p>	<p>We only work with suppliers who are committed to maintaining high social and environmental standards</p>	
<p>ACTIVELY CONTRIBUTE TO COMMUNITIES</p>	<p>2025</p>	<p>Work with local communities to reduce plastic pollution worldwide via collaboration, volunteering, pro bono work and donations</p>	
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>5 GENDER EQUALITY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>10 REDUCED INEQUALITIES</p> 

PEOPLE

Our people are the driving force behind our company. With around 1,000 employees across our different locations, we are on a mission to build a "Great Place 2 Work" by 2025. Guided by our three pillars – Appreciate, Connect, and Trust – we strive to become a reliable employer that takes care of its employees, placing them at the heart of what we do.

Over the past year, we have implemented several initiatives to promote global connection and bonding, including global onboarding and other events. Additionally, we developed a well-being strategy to address physical, emotional and social needs. We have also continued to invest in the skills and capabilities of our employees.

We conducted our first global employee survey to gather valuable feedback and insights from our team. Going forward, we will rely on the survey's responses to meet the changing needs of our employees and continuously enhance their experience.

As we introduced new sustainable technologies and machines, we also updated the relevant health and safety procedures. As a result, we have reported a reduction in accidents and remain below industry standards in terms of accident severity.

With our sustainable procurement practices, we manage the social and environmental impact of our suppliers and their employees. This year, we significantly increased the number of audited suppliers and corresponding corrective action plans. In addition, 97% of our suppliers have signed our Supplier Code of Conduct.

Based on a framework established in 2022, we organized several global and local activities in 2023 to engage with and support our local communities. These activities included a plastic clean-up in Thailand, donations to local charities, educational and volunteer efforts and support for the River Cleanup initiative.

ESG RESULTS 2023

PEOPLE

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

1,000+

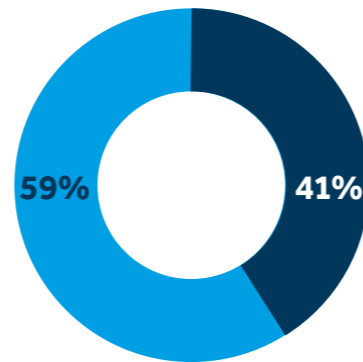
Employees worldwide and **43+ nationalities**

Data as of end of Feb 2024.
All other data as of December 2023.

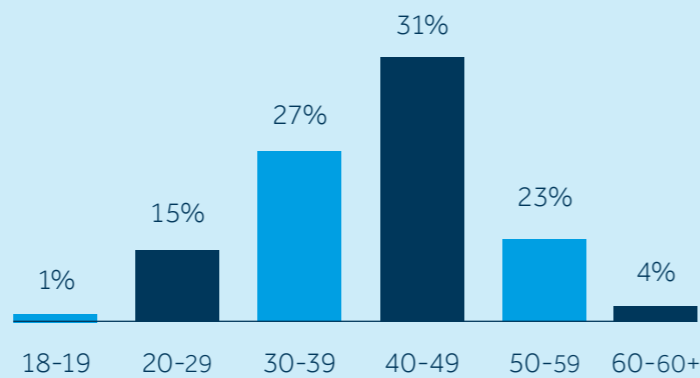
 **49%**
WOMEN

 **51%**
MEN

Note: 17 people identified as gender diverse in our employee survey



■ INDIRECT LABOR
■ DIRECT LABOR



Balanced Age Structure

21%
Employee turnover rate
vs 38% in 2022

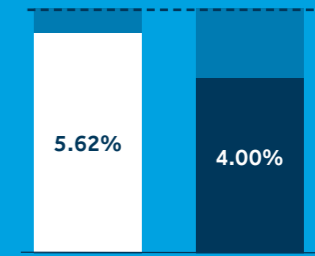
50% DECREASE IN VOLUNTARY LEAVE TURNOVER

Employee voluntary leave turnover rate, compared to 2022

WELL-BEING



BELOW 6% GOAL



2022 2023

Absenteeism illness rate

EMPLOYEES ENGAGEMENT

eNPS: 9.2

Employee net promotor score

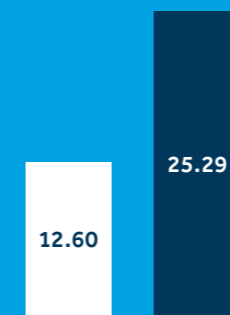
79%

participation rate global employee survey

TRAINING AND DEVELOPMENT



99.7% of employees received performance feedback



2022 2023

Average training hours per employee



HEALTH & SAFETY

14% accidents decrease
Lost-time injury severity rate **0.15 vs 0.46** industry standard* (*Based on Belgian standard)

SUSTAINABLE PROCUREMENT



97% signed Code of Conduct
100% of targeted suppliers audited in 2023
Corrective Action Plans in place

HUMAN RIGHTS

- **Gold rating EcoVadis**
- **SMETA** 4 Pillar audit, all manufacturing locations
- **Thai labor standard** certificate, factory Thailand



THAI LABOUR STANDARD

COMMUNITY OUTREACH

Global and local deSter preventive actions on avoiding plastic pollution and support of the River Cleanup



RIVER CLEANUP

ESRS TOPICS RELATED TO PEOPLE

ESRS TOPIC	IMPACT, RISK, OPPORTUNITY	PEOPLE TOPIC
S1 OWN WORKFORCE		
Equal treatment and opportunities for all	Positive impact by training and development Impact on equality, equal pay and adequate wages	Training and development Diversity, equality and inclusion
Health and Safety	Potential safety issues in operations	Health and Safety
Well-being and work life balance	Positive impact on well-being and work-life balance with continuous improvement	Well-being and work-life balance
Freedom of association and collective bargaining	Positive impact from collective bargaining agreements and the existence of works councils and the information, consultation and participation rights of workers	Engagement with our employees
S2 WORKERS IN THE VALUE CHAIN		
Working conditions	deSter sources from a sector with with high cost pressure, which could affect worker health and safety, working hours, and adequate wages or create conditions for forced labor	Sustainable procurement

OUR PEOPLE IN 2023

S1 OWN WORKFORCE

OUR APPROACH AND POLICIES

In 2022 we focused on a thorough review, training and communication of all our People policies. In 2023, we implemented and refined our policies guided by our Great Place 2 Work roadmap and employee feedback, while simultaneously initiating further communication and training.

We strengthened our onboarding policy and process to help new joiners navigate their roles with clarity and confidence in alignment with our organizational expectations. Additionally, we revised our training and development policy and process to provide more guidance for employees when requesting or selecting training.

Our global social policies encompass the following: Prohibition of any form of child labor; abolition of all forms of compulsory and forced labor; respecting and complying with labor standards; promoting diversity, equality and inclusion; fighting discrimination and harassment, including grievance mechanisms; ensuring fair compensation and living wages; recruiting, training, and career management; fostering social dialogue; and prioritizing health and safety.

The most important topics related to our People stem from our Great Place 2 Work roadmap (part of our ESG strategy), our double materiality analysis (in relation to Own Workforce) and our annual employee survey. We have summarized the core topics here and will discuss them in the following chapters of this section:

- Human and labor rights
- Training and development, including performance evaluation, employee training and leadership development

- Diversity, equality and inclusion, including equal pay and living wages
- Well-being and work-life balance
- Employee engagement, including internal communication, freedom of association and channels to raise concerns
- Health and safety

OUR PEOPLE BY THE NUMBERS

In 2023, our workforce remained stable. The number of employees remained consistent with the previous year. Our employee turnover rate, defined as the number of permanent employees who left the company compared to the average number of permanent employees in a year, decreased from 38% to 21%. Our voluntary employee turnover went from 18% to 9%.

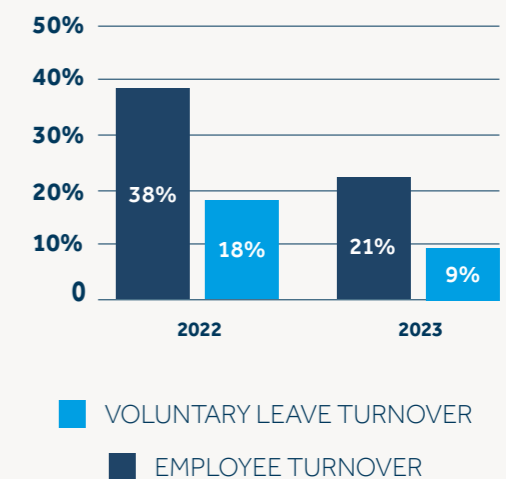
LABOR AND HUMAN RIGHTS

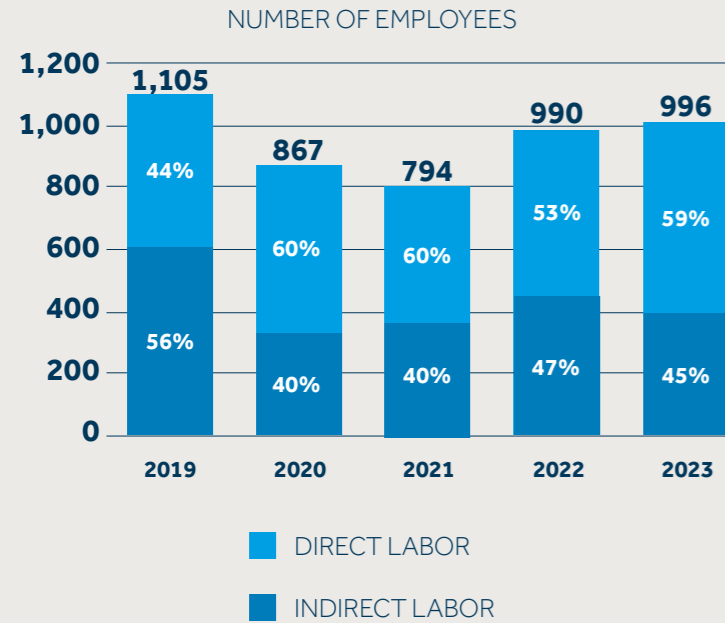
Our approach

As a diverse multinational organization, deSter respects key international human and labor rights standards outlined in the International Bill of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our commitment to respecting human rights, including labor rights, is reflected in various policies, which include the elimination of forced or compulsory labor, the effective abolition of child labor, respect for and compliance with labor standards, social dialogue and freedom of association, and the elimination of discrimination. We have detailed these policies in our code of conduct and our supplier code of conduct, both of which are available on our website.

EMPLOYEE AND VOLUNTARY LEAVE TURNOVER





All our policies have been approved by the deSter leadership team and our CEO. These policies apply to all employees, contractors, suppliers, and business partners.

As part of the UN Global Compact initiative, we align our operations and strategies with its 10 universal principles in the areas of human rights, labor, environment, and anti-corruption.

Our internal global human rights due diligence assessment conducted in 2022 reaffirmed our robust human rights governance framework. Despite these positive results, we remained vigilant and took focused, preventive actions in 2023 to protect and uphold the rights of our stakeholders. We have also set quantitative targets for all material human rights topics that are part of our People initiatives.

More specifically, our focus includes health and safety, wellbeing, work-life balance, women in leadership roles, working hours, the gender pay gap, living wages, and employee development.

We are pleased to report that there were no confirmed incidents of forced or child labour within our organisation or our supply chain during the reporting period. This result underlines our

unwavering commitment to upholding human rights and ensuring fair child labour practices in all operations.

Actions on labor and human rights

Preventive actions

In 2023, deSter kept human rights high on the agenda, especially for our manufacturing facilities. Especially for our manufacturing facilities, health and safety remained a top priority. Through dedicated internal reviews, we ensured that all practices met deSter's stringent standards, particularly in protecting mothers before and after childbirth and maintaining safe, healthy working environments for all staff.

Social security was strictly enforced, with each facility consistently meeting compliance standards. We also introduced enhanced measures to strengthen cyber security and privacy, quickly addressing vulnerabilities to mitigate future risks.

Analysis of the root causes of cases in 2022 provided learning points that further reduce the risk of potential human rights violations. There were no calls on our Integrity Line in 2023.

We identify human rights risks on our value chain through our sustainable procurement process, which includes supplier risk evaluations, assessments, and on-site audits. For more information, see the Sustainable Procurement section of this report.

In the final quarter of 2023, we collaborated with focusright Ltd, a consultancy service that helps businesses embed responsible practices and human rights due diligence throughout their business and supply chains, to develop a customized human rights training program for gategroup and deSter employees. The training program has been tailored to our industry, highlighting potential risks and providing practical guidance to mitigate them.

External audits

We consistently undergo Sedex SMETA (Sedex Members Ethical Trade Audit) 4 Pillar assessments and on-site audits at all our major production sites and offices. The Sedex 4 Pillar checks for comprehensive requirements and compliance with human rights, with a focus on health, safety and labor standards. It also assesses a company's ethical practices and efforts to minimize environmental impact. This audit serves as a useful tool to communicate our performance towards our customers. Additionally, we subject ourselves to stringent SWA (Standard Workplace Accountability) audits and other audits organized by our clients, including Havi/McDonald's, Subway, Duni, JDE (Jacobs Douwe Egberts), KFC, and Carrefour.

We also engage in the EcoVadis assessment, where we proudly achieved a gold medal with a total score of 76% in 2023, placing us in the top 2% of evaluated companies in our industry. Our performance further affirms our commitment to sustainability, labor and human rights, and ethical business practices.

Our factory in Thailand is particularly noteworthy, as it holds the Thai Labour Standard Certificate issued by the Department of Labour Protection and Welfare, Ministry of Labour. This certificate confirms our compliance

with international standards for social responsibility.

Corrective measures

In 2023, two incidents of sexual harassment were reported directly to local HR business partners. In line with our corrective action policy, both cases were investigated by conducting interviews and collecting statements. Based on the severity of the incidents, one employee received a documented final warning, while the other employee was terminated.

HR shared the outcomes of the corrective actions with the management team and incorporated preventive measures into our annual training on harassment, including sexual harassment and workplace violence, DE&I training and escalation procedures (see further details in this report on the DE&I section).

Upcoming actions

In 2024, we will continue our focus on preventive measures by deepening our knowledge on this topic. For example, we will participate in the Global Compact program titled "Sustainable Supply Chain," which emphasizes the 10 principles of the UN Global Compact, the Sustainable Development Goals (SDGs), and corporate sustainability.



Anke Luyckx
Human resources



Danny Kempeneers
Legal, general counsel

TRAINING AND DEVELOPMENT

Performance and feedback

Our approach

Our company conducts annual performance appraisals through our performance appraisal and planning (PA&P) process to ensure clarity in job expectations, and maintain fairness and transparency in the appraisal process. In 2023, we once again achieved an impressive participation rate of 99.7%.

Actions on performance and feedback

Reflecting our dedication to ESG principles, each member of the management team has had personal ESG goals integrated into their performance targets for the past two years. Looking ahead to 2024, we are excited to further embed our commitment throughout our organization by including personal ESG goals in the performance goals of all our employees.

Employee training

Our approach

Our company's training strategy aims to improve the skills, technical knowledge and internal expertise of our employees through tailor-made development programs. In 2023, we further refined our training and development

policy and processes. As part of this initiative, we assessed the training needs of different departments to identify specific training areas to prioritize.

Actions on employee training

Committed to improving our results from 2022, we saw a significant increase in skills training sessions across all locations in 2023. For example, we provided internal product training sessions to keep all employees informed of new and innovative products; training on AI tools for our design and development team, which are now integrated into their workflows; and training on Microsoft Office 365 tools, among others. A detailed overview of trainings conducted in 2023 can be found in the addendum of this report.

Furthermore, we have explored online training platforms to facilitate self-study opportunities and assess their suitability for meeting our training objectives. Currently, 50 employees are participating in the trial and we have started collecting feedback.

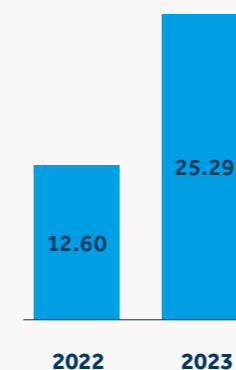
training programs. In the coming years, we plan to increase the number of training hours, number of people trained, and investment in training by at least 5% each year.

Leadership development

In 2023, we launched the Test Pilot Leadership Training Program to educate our employees worldwide on essential leadership skills. We recognize the crucial role of our leaders in driving organizational success, and this program is designed to cover various aspects of effective leadership.

It consists of a comprehensive learning program on individual leadership styles, delegation techniques, strategic thinking, team dynamics, and much more. The training responds to the changing needs of our people and ensures that our leaders are equipped with the tools and knowledge to navigate the complexities of today's business world. We will continue to roll out the program in 2024.

AVERAGE TRAINING HOURS PER EMPLOYEE



TRAINING AND DEVELOPMENT	2022	2023
PEOPLE TRAINED ON CAREER OR SKILLS-RELATED TOPICS	600	954
TOTAL TRAINING HOURS	12,475	25,187
TRAINING HOURS PER EMPLOYEE	12.60	25.29

DIVERSITY, EQUITY AND INCLUSION

Our approach

We embrace DE&I (diversity, equity and inclusion) as core principles that define our identity and guide our operations. Our workforce encompasses 44 nationalities, creating a vibrant mix of ages, perspectives, experiences, and talents. This rich diversity is more than a strength – it is a driving force behind our innovation, resilience, and success. We also make it very clear through our code of conduct that we are firmly opposed to any form of discrimination.

In our hiring practices, we are committed to fairness and impartiality. We ensure that every candidate is evaluated equitably, focusing on skills, competencies, and potential, rather than background or origin. This merit-based approach helps foster a culture where talent and hard work are the keys to advancement. Furthermore, we commit to providing fair compensation to our employees based on their professional abilities, without discrimination based on gender, nationality, ethnicity, age, sexual orientation, or identity.

Our DE&I priority is to ensure that everyone feels welcome – whoever they are and wherever they come from. This principle aligns with deSter and gategroup’s strategic and cultural objectives, guiding our approach to attracting, managing, and nurturing talent throughout our organization. Our short- and medium-term goals include establishing a framework to recognize, support, and uplift the diverse communities within our organization by the end of 2025.

To cultivate an inclusive workplace, we offer personalized language lessons designed to cater to the individual needs of each employee. These lessons not only enhance communication skills but also foster a sense of belonging and inclusiveness among our teams, ultimately strengthening the cohesion and collaborative spirit of our workforce.

Furthermore, provide assistance to employees when they are faced with

physical or psychological challenges. Collaborating closely with our business occupational physicians, we explore alternative job placements or adjust work schedules to offer greater flexibility as needed. Our overarching goal is to facilitate a seamless return to the workplace, enabling our employees to continue their careers with us.

We extend our commitment to inclusivity beyond our workplace by fostering some partnerships with companies in our supply chain that prioritize hiring from minority groups such as a training center for convicts and workplaces dedicated to individuals with disabilities, we not only support our suppliers but also contribute to the empowerment and integration of marginalized communities.

Actions on diversity, equity and inclusion

Gender balance

We remain committed to maintaining a 50/50 gender ratio in our workforce, striving for balance in hiring and development opportunities. We ensure that all open positions are communicated to our employees, giving them the opportunity to apply for roles that interest them. This approach has led to several promotions and internal movements within the organization.

In December, gategroup’s Executive Management Board approved a new commitment to “increase gender balance at all levels, targeting 30% representation of women among the top 100 executives and lower/middle management by 2030.” Currently, women hold 9% of the leadership positions at deSter.

Awareness campaigns

In 2023, we launched a global DE&I awareness campaign called, “Challenge the Bias”. Our gategroup CEO and CPO (Chief People Officer) kicked off the campaign with a video message that reminded employees why DE&I is a core value for both gategroup and deSter. Following the launch, we provided training to employees in leadership and human resources roles, addressing biases that may influence decision-making and teamwork. So far, 76% of targeted

deSter employees have completed the training.

At the local level, we take initiatives to address specific needs. For instance, in 2023, deSter Lima, organized awareness campaigns for Pride Month and Juneteenth, a new US federal holiday commemorating African Americans and the end of slavery in the US. These initiatives were warmly embraced by our employees.

DE&I handbook

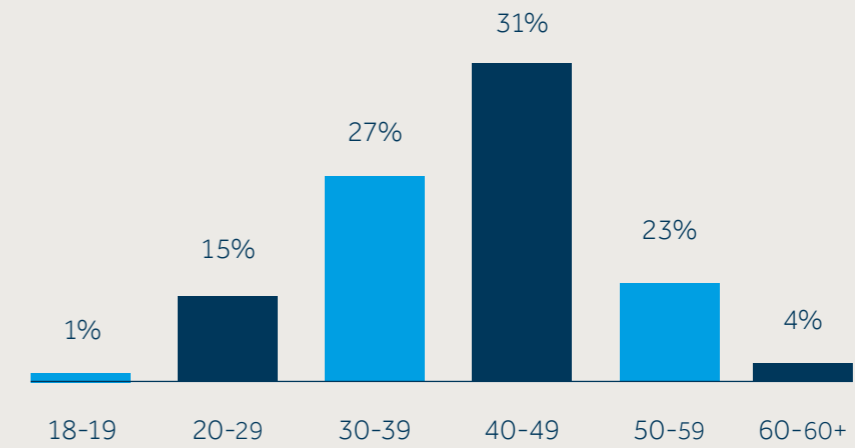
To reinforce our commitment to diversity, equity, and inclusion, we distributed a “Gender Equity” handbook detailing company policies and best practices. This comprehensive resource is available for employees to refer to whenever needed. By prioritizing these initiatives, we have strengthened our corporate culture and fostered an environment where every individual is valued and respected, irrespective of their gender or background.

Gender pay-gap

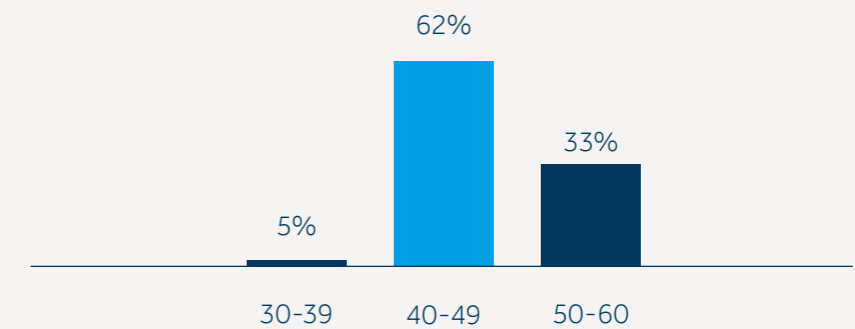
In 2022, we conducted our annual unadjusted gender pay gap (unadjusted GPG) analysis. Given the significant impact of company seniority, job seniority and job levels on the results, we refined our analysis in 2023 to incorporate these factors. Our comprehensive approach, called an adjusted gender pay gap (adjusted GPG) analysis, has provided a clearer picture of the disparities within our workforce.

The global average unadjusted GPG analysis shows a gap of 39.2%, with women earning 39.2% less than men. However, findings from our adjusted GPG analysis show that 66% of senior roles are held by men mostly located in Europe, while the highest proportion of blue-collar workers are female employees in Thailand. This largely explains the significant pay gap between women and men. Additionally, the adjusted GPG revealed substantial regional differences. For example, in Asia-Pacific, we discovered a negative pay gap (women earning more than men) for those in supervisor positions and a positive pay gap (woman earning less than man) among blue-collar workers.

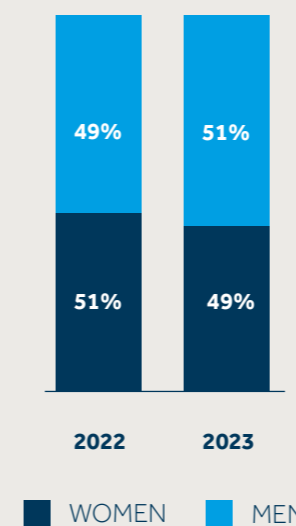
AGE STRUCTURE



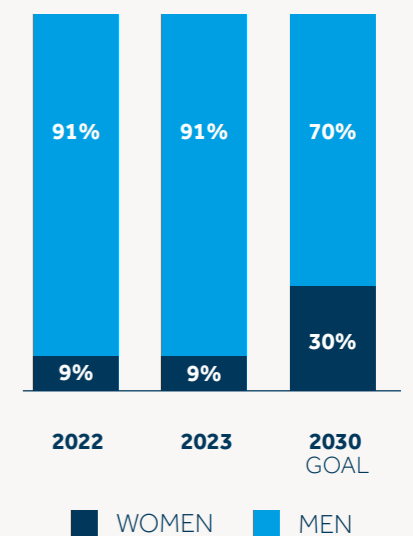
AGE STRUCTURE LEADERSHIP TEAM



GENDER BALANCE



GENDER BALANCE LEADERSHIP TEAM



Based on our analysis, we need to take action across all levels and regions. To facilitate further evaluation and appropriate action, we will start to re-evaluate all positions globally in 2024 to assign comparable grades or levels. We will also re-evaluate our hiring, promotion, bonus and benefits packages in a timely manner. Furthermore, we will conduct annual salary audits to fulfill our commitment to close the gap by 2033.

Living wage gap analysis

By the end of 2023, we finalized a complete review of living wage standards

for 100% of our employees across all regions – up from 97% coverage in the previous year. We utilized benchmark data from respected sources, including the Global Living Wage Coalition, the Living Wage Foundation UK, the Wage Indicator Foundation, and academic studies by institutions like the Massachusetts Institute of Technology (MIT) and the University of Melbourne.

In 2022, we identified a 27% gap in living wage standards in just one country where we operate. To address this, we set a goal to close this gap by 2033 and have been actively working on making

the necessary changes. In 2023, we successfully reduced the gap to 19%, reflecting a 30% decrease compared to the year prior.

WELL-BEING AND WORK-LIFE BALANCE

Our approach

Employee well-being is essential for personal success and happiness, leading to more engaged and productive individuals. Our strategy focuses on the physical, emotional, and social

well-being of our employees worldwide. Through various initiatives, we aim to create a thriving and resilient workplace.

A key metric in measuring the success of our well-being efforts is maintaining an absenteeism rate below 6%. With a rate of 4% for 2023, we meet this goal.

Actions on Well-being “Move To Happiness” platform

In 2023 we began piloting the “Move to Happiness” well-being platform, which consists of 30 dynamic programs designed to boost energy levels, enhance sports enthusiasm and foster work-life balance. Additionally, the platform features live keynote sessions from experts sharing insightful information about well-being and its importance both inside and outside the organization.

Ergonomic conditions

In 2022, IDEWE (External Service for Prevention and Protection at Work in Belgium) conducted a well-being survey in Hoogstraten, Belgium. One key finding was the importance of addressing ergonomic concerns to ensure the physical health of our staff. In 2023, IDEWE and the local HR team organized individual sessions with our team members to evaluate their pos-

ture and provide recommendations. We arranged these sessions for all employees in Belgium.

Healthcare and family benefits

We offer health coverage for all team members around the world. We believe that employees who receive healthcare support are more engaged and motivated. Although some additional health insurance benefits may vary based on regional and local laws, we tailor these benefits to meet the specific needs of each location and their families, reflecting our commitment to providing optimal healthcare support. For example, in Belgium we offer parental leave, medical assistance leave, caregiving leave, palliative leave, and breaks for breastfeeding or pumping during working hours. In production roles, we offer alternative jobs options during pregnancy, if available. To ensure our benefits are competitive, we partner with Mercer to benchmark our healthcare coverage.

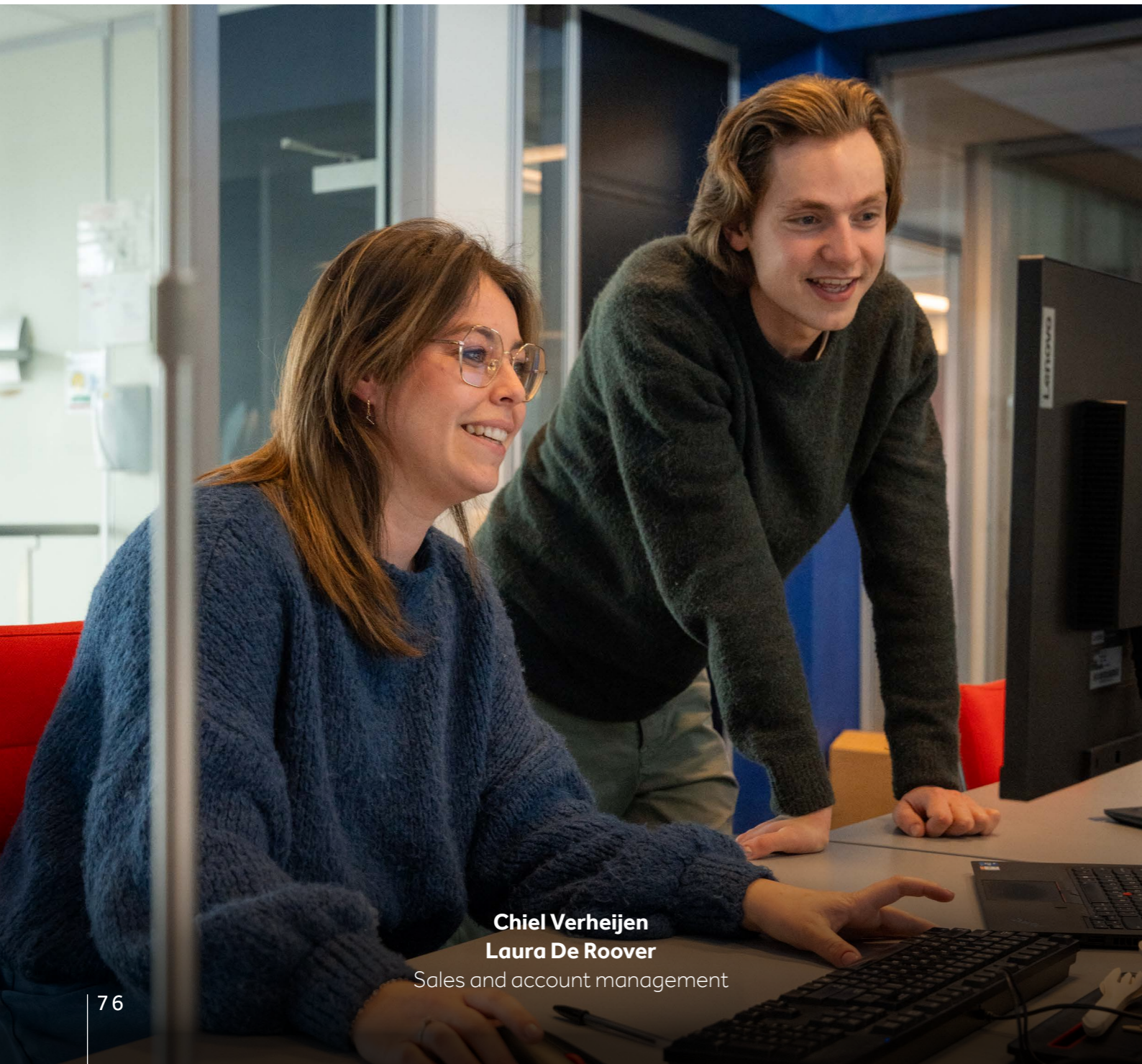
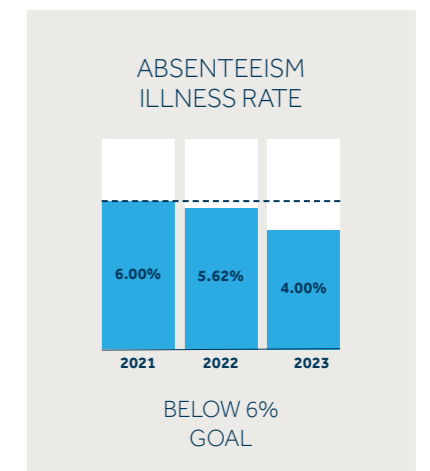
Currently, 97% of our employees receive health insurance from our company, while 3% are insured through other institutions.

Hybrid working model

Our hybrid working model, which combines remote and office work, is highly valued by employees who are eligible

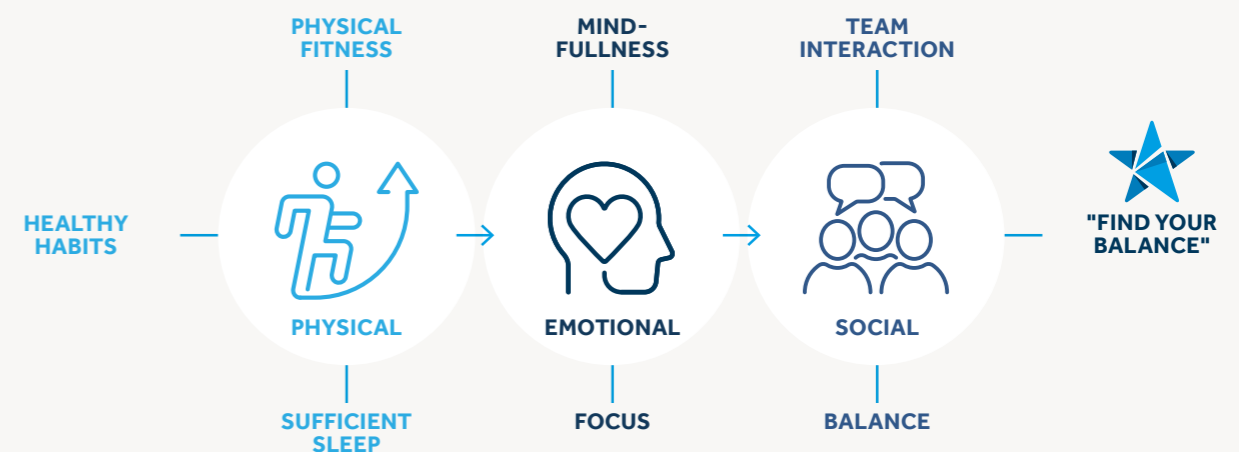
for this option, because it allows our team members to tailor their working environment to their individual needs. The added flexibility has not only significantly boosted productivity, but has also contributed to a greater sense of overall satisfaction and wellbeing. In today’s fast-paced professional landscape, our people appreciate the opportunity to perform focused tasks remotely, and engage in collaborative activities in person at the office. Our hybrid model boosts productivity and performance, while simultaneously promoting a healthy work-life balance.

“DESTER IS OPEN TO FLEXIBILITY, WORKING FROM HOME, AND BEING ABLE TO FILL IN YOUR OWN HOURS. THIS IS DEFINITELY A BIG PLUS”
(Employee survey)



Chiel Verheijen
Laura De Roover
Sales and account management

DESTER'S WELL-BEING MODEL



SPORT deSter



Sport@deSter

Our Sport@deSter initiative encourages employees to engage in athletic activities that enhance well-being and foster team bonding. Spear-

headed by employee ambassadors for Sport@deSter, the program saw 17% workforce participation in one or more activities in 2023.

Here are highlights from 2023:

Belgium

In addition to participating in a local running race, employees engaged in meditation sessions, monthly walks, a cycling tour, and our cross-departmental table tennis tournament. These activities provided a break from the daily routine and generated lots of enthusiasm.

USA

We sponsor YMCA memberships for our employees and their families, allowing them to participate in a variety of sports activities, such as fitness classes, swimming, and gym access in the US. Similar incentives for other sports and athletic activities are also available.



Germany

There are many regularly occurring activities, such as a local running team and the annual Frankfurt J.P. Morgan Corporate Challenge Run, at our Neu-Isenburg office. In 2023, our teammates also participated in a cross-departmental table tennis tournament and enjoyed a fun evening of bouldering, tennis and inline skating.



Thailand

In November, many colleagues from our office in Prachinburi, Thailand, participated in an impressive half-marathon to support Sri Mahaphot Hospital.



Lunch break table tennis, Belgium

Events

Social events are an essential element of our company culture, aligning with one of our core well-being pillars. We believe that positive interactions strengthen connections, create a sense of belonging and promote more effective teamwork. Our gatherings provide a useful platform to celebrate

achievements, milestones and cultural diversity, which in turn fosters pride and loyalty among employees. By prioritizing social events, we create an environment conducive to organizational success.

In addition to external team-building activities with deSter teams world-

wide, we host monthly after-work gatherings that embrace local traditions and celebrations unique to each location.

Among the many memorable events in 2023, we celebrated our 50th anniversary with a grand "golden" party.



deSter 50th anniversary grand "golden" party

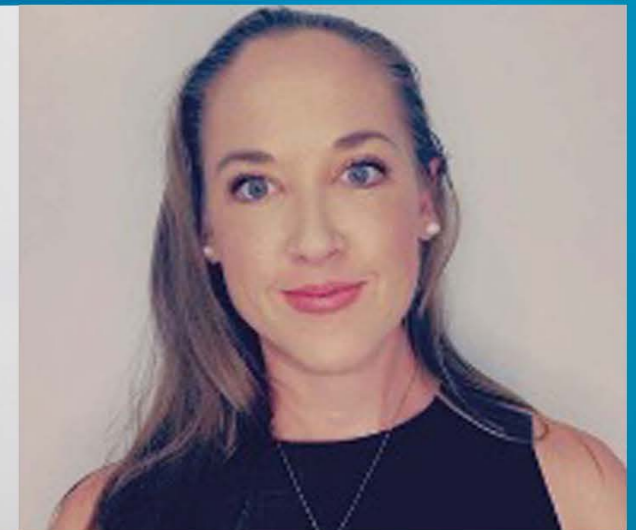
"I always found it pleasant to work at deSter. I live very close and can come to work by bicycle. deSter is a healthy, stable company and my colleagues are also great. We have a core team, everyone knows everyone."

Ron Vermeiren
Technician Facilities



"deSter's strong focus on sustainability aligns with my personal values and the growing industry trend toward eco-friendly solutions."

Jacki Bowen,
Business Development
Director



"What truly sets deSter apart is the incredible work environment. Despite my relatively short 10-week tenure, I felt like an integral part of the team from day one."

Jayna Regehr
deStudio intern





Employee survey touchscreen , company canteen, Belgium

ENGAGEMENT WITH OUR EMPLOYEES

Our approach

Effective communication and engagement are key to our success, enabling us to build a culture of trust, transparency, collaboration and alignment across the organization. We use multiple channels to ensure that every employee, regardless of their location or department, remains informed and connected. These channels also provide opportunities for employees to share feedback or concerns.

Actions on engagement with employees

Internal communications

Our internal website serves as a central hub for accessing essential resources, company updates, announcements, and opportunities for employee experience sharing. We also host monthly town hall meetings to enable interactive dialogue. For example, at town hall meetings, our leadership team communicates strategic goals, pro-

vides financial updates, shares company achievements and receives direct feedback from employees. In addition, our digital newsletters regularly share key achievements, upcoming events, and insights reinforcing our company culture.

Locally, HR business partners, local management and workers council facilitate further interaction between our employees and the company where applicable.

Employee survey

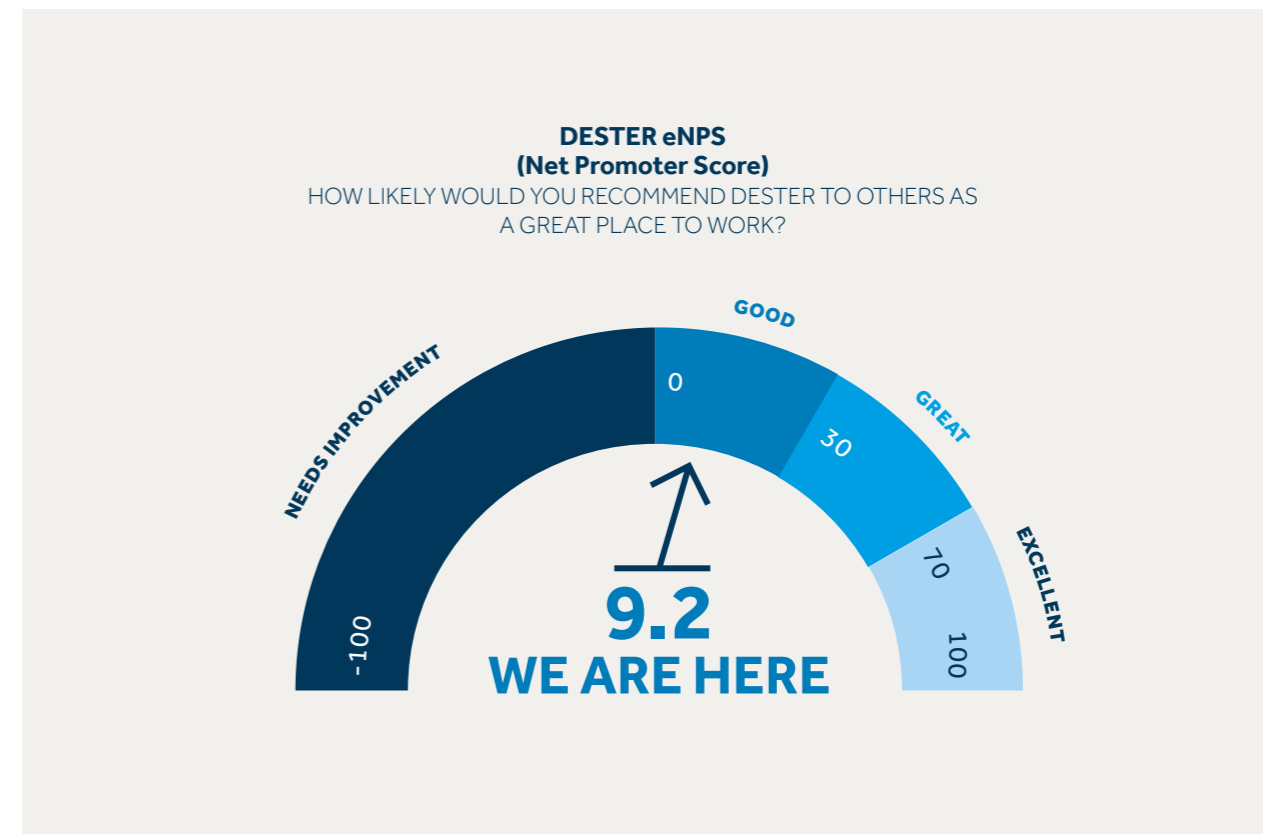
In 2023, we laid the groundwork to launch our first employee survey in early 2024. With this survey, we aim to gather direct feedback from our employees and establish a baseline understanding of where deSter stands. The results will provide a valuable foundation for dialogue and help identify actions to further improve our working environment through our "Great Place 2 Work" roadmap.

Although our survey analysis and the resulting action plan were still in progress at the time of writing, we have al-

ready received constructive feedback on what's working well and where we need improvement. Our eNPS (Employee Net Promoter Score) of 9.2 indicates that deSter is performing well overall, however there are certain departments and regions where improvement is needed. Our goal is to raise our overall eNPS to 30 in the coming years, affirming our company's commitment to being recognized as a "Great Place 2 Work".

Channels to raise concerns

Access to confidential reporting channels helps ensure fairness, justice and protection for individuals and communities. It enables people to seek redress and resolution when they believe their rights have been violated, promoting a more just and equitable work environment. If an employee believes they have experienced bullying, discrimination, or harassment, they are encouraged to seek support through their manager, HR contact, works council or use the gategroup global Speak-Up Line. More information about the Speak-Up Line can be found in the Governance and Business Conduct sections.



HEALTH AND SAFETY

Our approach

Health and safety standards

At deSter, sustainable and safe manufacturing practices are essential to our operations. We are committed to integrating health and safety considerations into all aspects of our business, protecting our employees, contractors and visitors with dedication. Our goal is ambitious yet clear: to achieve zero accidents. We aim to reduce the number of accidents of 30% by 2030 compared to our 2022 baseline. We believe it is essential that our coworkers actively contribute to maintaining a culture of safety, and to engage in robust working and management practices that are necessary for continuous improvement.

To support these goals and our employees, we apply our health and safety standards across all global operations. These standards ensure compliance with stringent regulatory requirements

and provide guidance on the behaviors and processes required to maintain health and safety at work.

Our health and safety standards encompass a broad range of areas, including building safety, machine maintenance, transportation, personal protective equipment (PPE), ergonomics, and organizational measures that set clear expectations for technical, operational and office staff, as well as contractors and visitors. Recognizing that health and safety is a field of continuous improvement, we also reviewed and updated our standards in 2023, drawing on lessons learned from 2022 incidents and risk assessments.

Risk management and preventive measures

Reducing accidents begins with identifying potential hazards in our workplaces. We regularly assess these hazards and the risks they pose through internal and external audits, allowing us to proactively implement mitigation measures. Secondly, we systematically

analyze accidents to understand their root causes and implement necessary changes to prevent recurrence. This includes safety committee reviews and ongoing employee communication.

Furthermore, by ensuring that all employees, contractors, and visitors are well-informed and trained on safety protocols, deSter reinforces the importance of safety at every organizational level. Our training extends beyond general safety knowledge, incorporating specific guidelines tailored to the unique risks and requirements of different departments within the company. In 2023, we provided 5,536 hours of Health, Safety and Environment (HSE) training to direct labor employees, which represents 13.5 HSE training hours per direct labor employee.

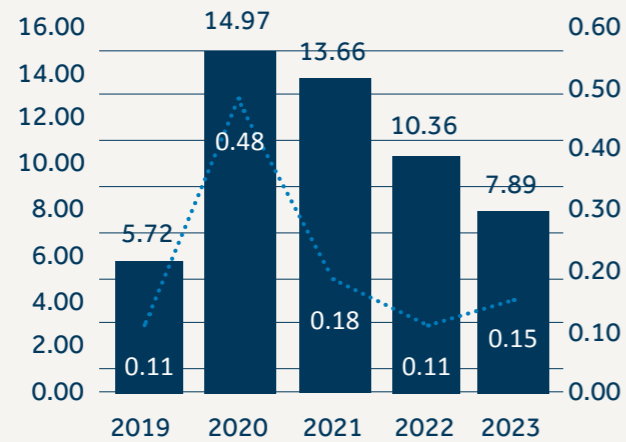
Actions on Health and Safety

In 2023, we achieved a 12% reduction in the number of accidents and, by ex-



Pascal Lodders
Stef Vos
Manufacturing Engineering

LOST TIME FREQUENCY AND SEVERITY RATE



■ LOST TIME INJURY FREQUENCY RATE LOST TIME INJURY SEVERITY RATE

	2019	2020	2021	2022	2023	2030
Lost time injury frequency rate (LTIFR)	5.72	14.97	13.66	10.36	7.89	
Lost time injury severity rate (LTISR)	0.11	0.48	0.18	0.11	0.15	T
Number of accidents	14	17	13	16	14	
% accident reduction compared to 2022					12%	30%

tension, a decrease in our Lost Time Injury Frequency Rate (LTIFR) to 7.89. However, our Lost Time Injury Severity Rate (LTISR) saw a slight increase to 0.15. When compared to industry standards, such as the manufacturing of plastics industry in Belgium, our LTISR is far below the average rate of 0.46.

Each deSter manufacturing location customizes its safety measures to address the unique challenges and contexts of its environment. Here are some highlights from 2023:

Hoogstraten, Belgium

Our shift towards compostable and reusable products has necessitated significant changes in our infrastructure. We have introduced nine new internally developed production lines dedicated to reusable products, and two new paper board cutlery production lines. A comprehensive Health and Safety risk analysis was conducted for each of these machines, leading to tightened safety measures. Additionally, we have implemented various safety and oper-

ational improvements to further secure our manufacturing environment. These include the introduction of new safety glasses, a product leveling system that eliminates the need for manual packing and stacking, and improved forklift alarm functions. We have also introduced additional safety measures, such as mandatory cut-resistant gloves and bump caps.

Lima, Ohio, US

To improve our emergency response capabilities, deSter Lima has trained 33% of our staff in first aid. Additionally, we have installed new eyewash stations and AEDs (automated external defibrillators). We further support these initiatives with an annual evacuation drill, safety training, and a hearing protection program that includes annual testing to evaluate the effectiveness of PPE.

Prachinburi, Thailand

deSter Thailand focused on improving construction safety through programs aimed at contractors and rigorous work

permit checks. As a complement, we also initiated a safety campaign to promote awareness about unsafe practices, such as the improper use of PPE. Additionally, we conducted environmental noise assessments and created a noise contour map to identify and address problem areas, thereby reducing health and environmental impacts.

Further operational safety efforts included monthly patrols by the safety committee to proactively prevent accidents and address near misses by reporting them for corrective action. Annual refresher courses were also conducted on various safety topics, including forklift use, overhead control and machinery safety.

Physical health and well-being

Initiatives related to physical health and ergonomic practices are detailed in the People Well-being section of this report.



SUSTAINABLE PROCUREMENT

ESRS S2 WORKERS IN THE VALUE CHAIN
ESRS G1 SUPPLIER DUE DILIGENCE

OUR APPROACH

Code of conduct

As deSter, we recognize the positive impact we can have on our value chain and are committed to managing the social and environmental aspects of our suppliers and their employees. We continuously strive to integrate sustainability into our sourcing activities to uphold human rights and minimize environmental impact. In 2023, we strengthened this commitment by developing a goal-oriented Sustainable Procurement Policy.

We require all our suppliers to comply with our Supplier Code of Conduct which establishes operational, social and environmental standards, that align with deSter's policies and commitments, for suppliers when conducting business with our company. This Supplier Code of Conduct is also available on our website.

Human rights due diligence and supplier ESG assessment

When conducting assessments, we focus on raw material and product suppliers with the highest social and environmental risks. We identify these suppliers through a risk analysis based on location and the type of products they manufacture.

Our procurement and the sustainability teams collaboratively evaluate the results. Suppliers identified as high-risk must complete deSter's self-assessment questionnaire and undergo an on-site audit.

Each audit results in a rating from A to E, based on the amount and level of deviations identified. Suppliers with deviations are asked to develop and implement corrective actions through our corrective Action Plan (CAP) within a reasonable

timeframe. If we do not observe improvement after six months, we may stop working with the supplier. By the end of 2025, our goal is for all suppliers to hold at least a C rating.

During our audits, we pay special attention to the working conditions of our suppliers' employees. Our audits have consistently found no instances of forced or child labor.

We consider the high response rate from our suppliers worldwide a great success. This highlights the teamwork between our procurement team and our suppliers in embracing ESG principles.

This approach not only demonstrates the importance we place on ESG, but also illustrates how we can motivate and support our suppliers in adopting sustainable practices. This positive exchange is essential for building a robust and committed supply chain.

SUSTAINABLE PROCUREMENT PROCESS ENVIRONMENTAL AND SOCIAL STANDARDS



Signature code of conduct



Risk analysis



Supplier assessment questionnaire



ESG audit



Corrective Action Plan (CAP)

SUMMARY SUSTAINABLE PROCUREMENT

	2022	2023	2023 target	2025 target
Total number of suppliers	503	579		
Signature of COC suppliers	90%	97%	95%	
Percentage of targeted suppliers with contracts that include clauses on ESG	90%	97%	95%	
Number of targeted suppliers that went through a ESG self-assessment	42	n.a.*	at least 41 of 45	
Number of suppliers audited	5	22	22	
Number of suppliers on C or (A or B) rating		6		
Number of suppliers on D rating		9		0
Number of suppliers on D rating improved to minimum C within threshold time		-		
Number of suppliers on E rating		7		0
Number of suppliers on E rating improved to minimum C within threshold time		1		
Number of suppliers with a corrective action plan	5	16		

* Target reached in 2022, risk analysis every 2 years

Actions on sustainable procurement

Suppliers' ESG assessment and audits

We are proud to report that 97% of our suppliers, including those new in 2023, have signed our Code of Conduct, continuing our track record of excellence.

In 2023, we conducted 22 on-site audits based on supplier assessments. The results were as follows: six suppliers achieved at least a C rating, nine received a D rating, and seven were rated E. All suppliers with D and E ratings are actively engaging in a corrective action plan. Additionally,

one supplier has been phased out.

Our suppliers are increasingly aware and have a growing understanding of sustainability issues, leading to significant operational improvements. Notable changes include the adoption of new policies and procedures, improved record-keeping practices, and enhanced emergency preparedness. During our audits, no forced labor or child labor was identified.

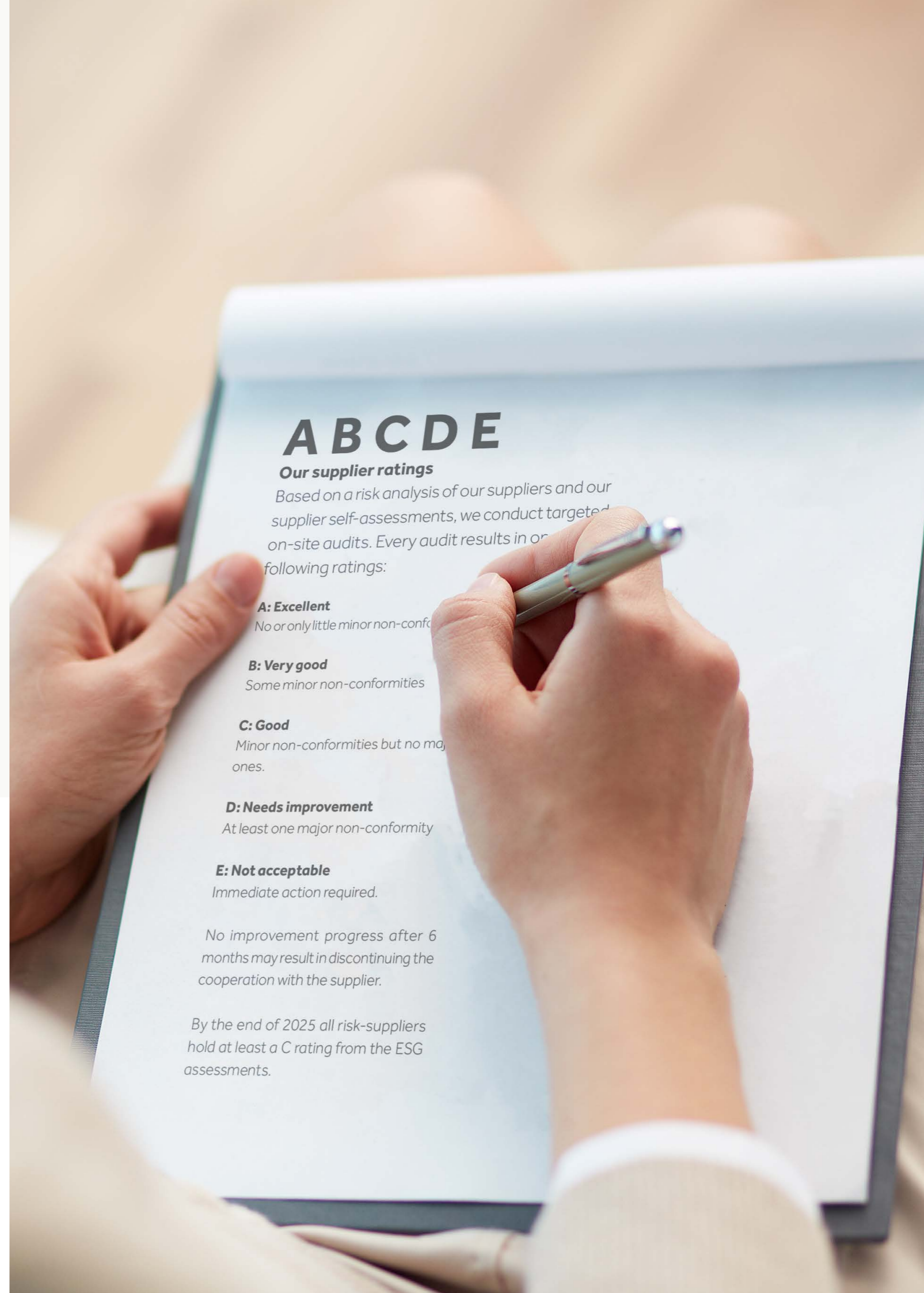
Training procurement team

All procurement team members attend training on sustainable procurement at least once a year. In 2022, the entire team completed certified ISO 26000 training focused on sustainable procurement. In 2023, they

attended a customized training on greenhouse gas emissions and supplier engagement. Our sustainable procurement ambassadors also undergo specialized training to continuously improve and align the program with the latest standards. For example, in 2024, we have planned an external training specifically on human rights.

Supplier engagement pilot for greenhouse gas emissions

In 2023, we launched a pilot project focused on engaging with suppliers specifically to reduce their greenhouse gas emissions. Further details on this initiative can be found in the Planet section under "Greenhouse Gas Emissions Scope 3".



COMMUNITY OUTREACH

Our approach

We have incorporated community outreach into our strategic objectives to support and give back to the communities around us.

As a company with a global presence, we recognize the positive impact we can have. In each region where we operate, we play a proactive role in connecting with our local communities.

These efforts focus on providing local job opportunities, as well as actions and educational initiatives to prevent plastic waste pollution.



Lecture chairs, Wat Lang Tham School, Thailand

Global actions on community outreach

Supporting the River Cleanup organization

A global network organization, River Cleanup, is dedicated to cleaning rivers, empowering people preventing pollution and accelerating change – a mission that perfectly aligns with our commitment to preventing plastic waste pollution. We are currently supporting the use of five eco-bins, which provide plastic waste collection options to several primary schools in Bandung, Indonesia, particularly in areas near the heavily polluted Cikapundung River. The bins are part of the River Cleanup School program, which aims to reduce plastic waste pollution by educating students, teachers and school communities about the effects of plastic pollution and empowering them to take action.

As part of the program, students participate in a 10-minute clean-up session weekly, collecting single-use plastic to deposit in the eco-bins. As a financial benefit, schools can use the proceeds from the collected plastic to purchase games or cleaning supplies. The collected plastic is then sorted and sent to local recycling facilities. What's more, the eco-bins are made locally to minimize carbon emissions and designed to be easy-to-use by children and pedestrians.

www.river-cleanup.org



Earth Week Challenge

In 2023, we expanded our Earth Day celebration, a global event that aims to raise awareness and inspire actions to protect our planet, with a two-week Earth Week Challenge. Employees were encouraged to participate in various earth-friendly activities, such as cycling to work, taking public transport or car-pooling, opting for a meat-free lunch, maximizing the use of their deSter reusable water bottle, or proposing sustainable improvements at our factories and offices. We also encouraged employees to share photos of themselves taking part in these activities and rewarded participants with a reusable deSter tote bag and other sustainable products.

We were delighted to see so many colleagues across all our global locations participating enthusiastically in a wide range of activities. Our Earth Week Challenge not only promoted sustainable practices across our organization, but also strengthened our sense of community and shared responsibility.





Plastic cleanup, Prachinburi, Thailand



WarmSter Week, Belgium

Local actions on community outreach

In 2023, we hosted numerous local activities, including:

WarmSter Week, Belgium

During “de Warmste Week”, an annual fundraising event, our employees came together to collect donations for ‘t VerZet-je, a local organization in Hoogstraten providing essential services to the less fortunate. Demonstrating our commitment to the cause, deSter doubled the funds raised, significantly amplifying the impact of our contribution.

Girl Scouts, Lima, Ohio, USA

We partnered with the Lima Public Library and the Girl Scouts for educational events. Among the memorable activities, 24 children and four adults participated in two educational sessions about plastics and sustainability, providing a valuable learning experience for the Girl Scouts.

Donation and volunteering, Lima, Ohio, USA

Employees collected and donated food, toys, and coats to local charities in Lima. Additionally, our team dedicated their time to volunteer with these charities, benefiting diverse groups of people in need within the community.

University Leuven Master Students, Belgium

At KU Leuven in Belgium, we hosted master’s students specializing in plastic processing to explore deSter’s sustainability strategies, including our reusable products and closed-loop systems. Through a factory tour and detailed presentations, the students gained hands-on knowledge about sustainable manufacturing applications, equipping them with practical insights for their future careers.

Preparation of deSter Packathon, Belgium

In 2023, we began preparations for the deSter Packathon, a design sprint event scheduled for 2024 that will bring together students, community members, and other stakeholders to generate innovative solutions aimed at reducing single-use plastic waste in the food-service industry. With the dedicated support of our expert designers and product specialists, this initiative seeks to enhance our community engagement and underscore deSter’s leadership in advancing sustainable practices within the industry.

Plastic cleanup, Thailand

Over 50 colleagues from our Prachinburi factory and 60 community members volunteered to remove litter and

single-use plastics surrounding our factory. This collective effort not only beautified the environment, but also supported our global commitment to prevent plastic pollution and protect the planet.

Local school support, Thailand

In response to requests from local primary and secondary schools in Prachinburi, we contributed to various annual events, including activities for Children’s Day and New Year celebrations. Notably, we furnished Wat Lang Tham School with 25 lecture chairs to improve their educational environment.



PLANET

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OUR PLANET GOALS



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	Achieve 75% carbon footprint reduction across our entire value chain, compared to 2019 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
6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	13 CLIMATE ACTION

PLANET

By setting ambitious targets and implementing various environmental actions from greenhouse gas emissions to waste and pollution, we aim to make a positive difference to the planet.

This chapter outlines our overall approach, targets, progress, actions taken and plans regarding greenhouse gases, energy consumption, waste and water management, chemicals, pollution and biodiversity.

In 2023, we managed to further reduce our Scope 1 and 2 emissions by 44% compared to 2019, primarily through investments in energy-efficient machinery. Additionally, we successfully mapped our Scope 3 value chain emissions, identifying a significant reduction of 50% since 2019, from our increased use of renewable

materials and a shift from single-use plastics to compostable and reusable products (find more details in the Product section). Across our Scope 1,2 and 3 we reduced emissions by an impressive 50% compared to 2019. As a result, we are well on track to meet our targets.

We have begun establishing an environmental management system at our Hoogstraten production site, in accordance with the internationally recognized ISO 14001 standard. By combining our current initiatives and additional actions into a single management system, we aim to achieve a well-structured site-level approach that will help reduce our company's ecological footprint.

Furthermore, in 2023, we achieved a reduction in our

operational waste and an increase in recycling waste. We also formalized a commitment to Operation Clean Sweep (OCS), an industry-led program that supports companies in their efforts towards eliminating plastic resin loss in operations, and implemented our first set of actions related to the program.

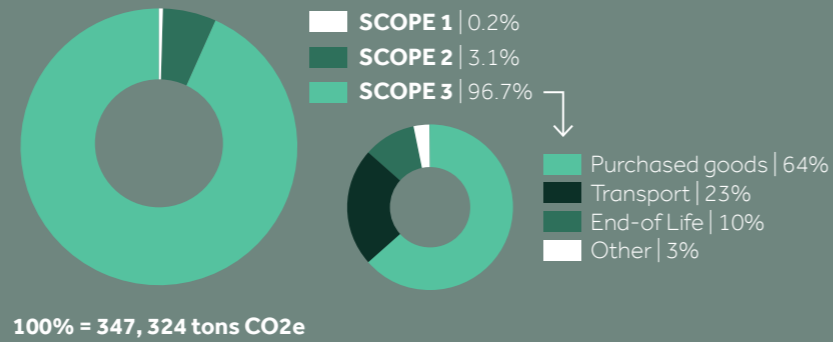
Through our double materiality assessment, we identified "Climate change" and "Land use and land use change, both upstream and downstream" as the most significant biodiversity themes. Therefore, we altered our biodiversity approach, compared to last year, as these topics are integrated in our approaches on greenhouse gas emissions reduction, responsible resource use and product circularity.

ESG RESULTS 2023

PLANET

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

GHG EMISSIONS 2023 50% TOTAL DECLINE SINCE 2019 ON TRACK



COMMITTED TO SCIENCE BASED TARGETS

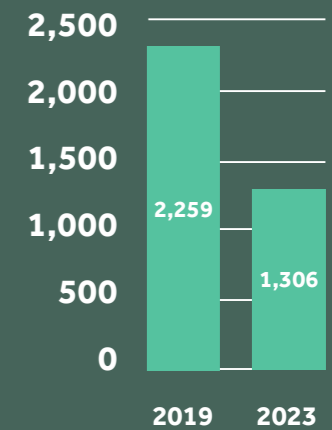


DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Scope 1, 2 and 3 reported according to the **greenhouse gas protocol** and externally verified

42% LESS OPERATIONAL WASTE Since 2019 (tons) ON TRACK

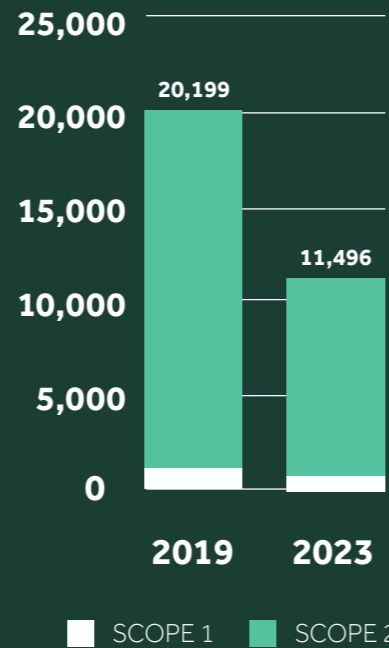


71% operational waste recycled (compared to 57% in 2019)

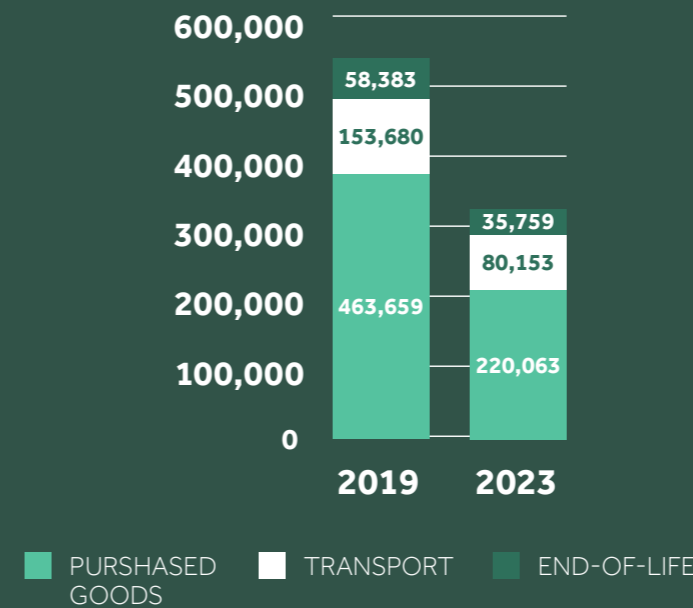
Commitment to achieve zero plastic pellet loss to the environment



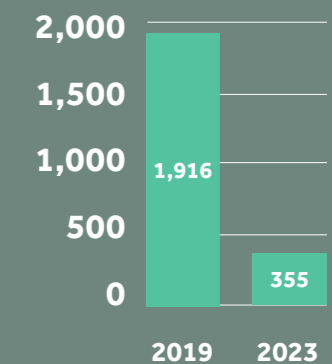
44% REDUCTION IN SCOPE 1 & 2 Since 2019 tCO₂e ON TRACK



50% REDUCTION IN SCOPE 3 Since 2019 tCO₂e ON TRACK



81% DECLINE IN VOC EMISSIONS since 2019 (kg) (volatile organic compounds) ON TRACK



Further investment in energy efficient production lines

Additional paper board cutlery lines in Belgium and Thailand save 62% energy compared to single-use plastic cutlery.



10% green electricity in 2023

147 tCO₂e saved in 2023



Switch to electrical vehicles

55 tCO₂e saved in 2023



Major switch to products made from renewable resources (fiber-based compostable products)



Switch to reusable products



Supplier engagement pilot on greenhouse gas emissions



BIODIVERSITY FOCUS AREAS Integrated into Planet and Product

Climate change (targets Scope 1, 2 and 3)

Impact on ecosystems by mismanaged waste of our products (circular economy approach)

Land use and land use change (responsible fiber resource use)

ESRS TOPICS RELATED TO PLANET

ESRS TOPIC	IMPACT, RISK, OPPORTUNITY	PLANET TOPIC
E1 CLIMATE CHANGE		
Climate change mitigation and energy	Impact GHG emissions from operations and value chain Risk energy availability and price increase fossil based	Greenhouse Gas Emissions Energy
Climate change adaptation	Risk for our business to be impacted by the spread of infectious diseases	(See People)
E2 POLLUTION		
Substances of concern	Impact chemicals used in products (PFAS, PS...) Risk and opportunity to proactively phase out PFAS and PS. The proactive phase out limits regulatory non-compliance and creates market opportunities.	Chemicals (Product: Consumer Health and Safety) (See Product: Consumer Health and Safety)
Pollution of soil own operations	Potential leaks from our operations	Pollution
Pollution of air own operations	Emissions from our operations	Greenhouse Gas Emissions, Pollution
E3 WATER AND MARINE RESOURCES		
Water withdrawals, consumption and use	Water used in operations in Thailand (water sensitive area)	Water Management
Biodiversity loss due to land use change upstream	Impact on land use/deforestation by sourcing paper, fiber and wood	Biodiversity (see Product Responsible resource use)
E4 BIODIVERSITY AND ECOSYSTEMS		
Biodiversity impact on ecosystems downstreams	Impact on ecosystems caused by mismanaged waste	Biodiversity (see Product Circularity and Responsible resource use)
E5 Resource Use & Circular Economy		
Waste own operations	Impact waste from our production	Waste Management

ENVIRONMENTAL MANAGEMENT

ESRS E1-2, E2-1, E3-1, E4-2, E5-1

OUR POLICY

In 2023, we established a Global Environmental Policy that outlines our targets and detailed initiatives. We share the policy internally as well as externally via our website. Its purpose is to articulate deSter's ambitions, approaches, and targets for environmental sustainability by conserving natural resources, protecting global ecosystems and supporting health and well-being through the prevention of harmful environmental pollution. The policy also affirms our commitment to comply with applicable environmental rules and regulations in all regions and countries in which we operate.

The policy is reviewed annually with internal stakeholders and signed by the deSter leadership team. We

conducted the most recent review in Q1 2024.

The topics covered by our Global Environmental Policy stem from our double materiality analysis and our Planet and Product ESG strategy.

We will discuss the topics related to Planet in the following chapters of this section: Greenhouse Emissions, Energy Consumption, Waste Management, Water Management, Chemicals, Pollution, and Biodiversity.

The topics related to Product are described in the Product section of this report under Product Circularity, Responsible Resource Use, and Consumer Health and Safety.

TRAINING AND AWARENESS

Training our personnel is paramount. Our goal is twofold: to create general awareness on environmental issues and actions among our employees so they can integrate environmental care into their daily work and life; and to ensure specific employees – especially the ESG team members – have extensive knowledge on relevant topics to implement effective actions company-wide. In 2023, our employees completed more than 300 training hours on environment related topics.

While in 2022 we focused on general training, in 2023 we tailored our training efforts for specific departments and employees who would benefit the most. For example, we provided specialized training for managers at our Lima office, focusing on sustainability topics, the environment, and our planet-based approach. We also trained our procurement team in greenhouse gas emissions, marking the first step in a project to involve suppliers in reducing carbon emissions. Furthermore, the Belgian Alliance for Climate Action delivered an internal presentation on Scope 3 emissions to deSter's ESG ambassadors. Lastly, we developed a training program on environmental awareness for workers in 2023, which will be given in 2024.

The ESG team participated in specialized courses and training on environmental issues in 2023. Most of the webinars, events and training sessions

focused on greenhouse gas emissions, upcoming EU legislation (CSRD, CSDD) and biodiversity.

We also shared information about our environmental approach and actions through newsletters, town hall meetings and our internal website throughout the year. In our communications, we explain how employees can contribute to environmental care. As mentioned earlier in the People section of this report, by 2024, ESG goals will be included in each employee's personal goals (PA&P).

In addition to formal training, we use other communication methods to raise awareness of environmental topics. These include general campaigns like Earth Week (see Community Outreach in the People section), posters in all facilities highlighting our ESG commitment, and digital screen messages in our canteens covering topics such as Operation Clean Sweep (OCS), the Science-Based Targets initiative, and our Sustainability Report updates. In 2023, specific information was provided to deSter's leadership team on environmental topics, including presentations on greenhouse gas emissions, a Scope 3 workshop, and email updates on the Broken Report and COP28 outcomes. A detailed overview of our communication efforts can be found in the addendum.

In 2024, we plan to further expand our training and communications. Some examples of planned internal training sessions include ISO 14001 standard

training in Hoogstraten for selected employees; environmental training for blue collar workers in Hoogstraten, Prachinburi and Lima; and ESG training for managers in Prachinburi.

INTEGRATED APPROACH

Implementing an environmental management system (EMS) at each site is important for aligning our goals, targets, actions and follow-up on key environmental topics. The internationally recognized ISO 14001: 2015 standard is our benchmark. Our goal is to implement the ISO 14001 EMS at all our production sites.

We have established the following timeline for the implementation and certification of this system:

- **End of 2024:** Certification in Hoogstraten, Belgium
- **End of 2025:** Implementation and certification in Prachinburi, Thailand, and Lima, US

In Hoogstraten, several actions were taken in 2023 to launch the EMS, in accordance with ISO 14001 standards. These actions included planning monthly environmental meetings which began in Q4 2023, conducting gap analyses on documents for ISO 14001 in Q4 2023, comparing certification offers to ensure certification by 2024 in Hoogstraten, and performing a compliance audit of environmental regulations related to ISO 14001.



GREENHOUSE GAS EMISSIONS

ESRS E1

OUR APPROACH

One of the most important topics for deSter is greenhouse gas emissions and how we, as a company, can transition to net-zero carbon by 2050, in line with the goals of the Paris Agreement.

We have set ambitious targets for reducing greenhouse gas emissions across all Scopes in the coming years:

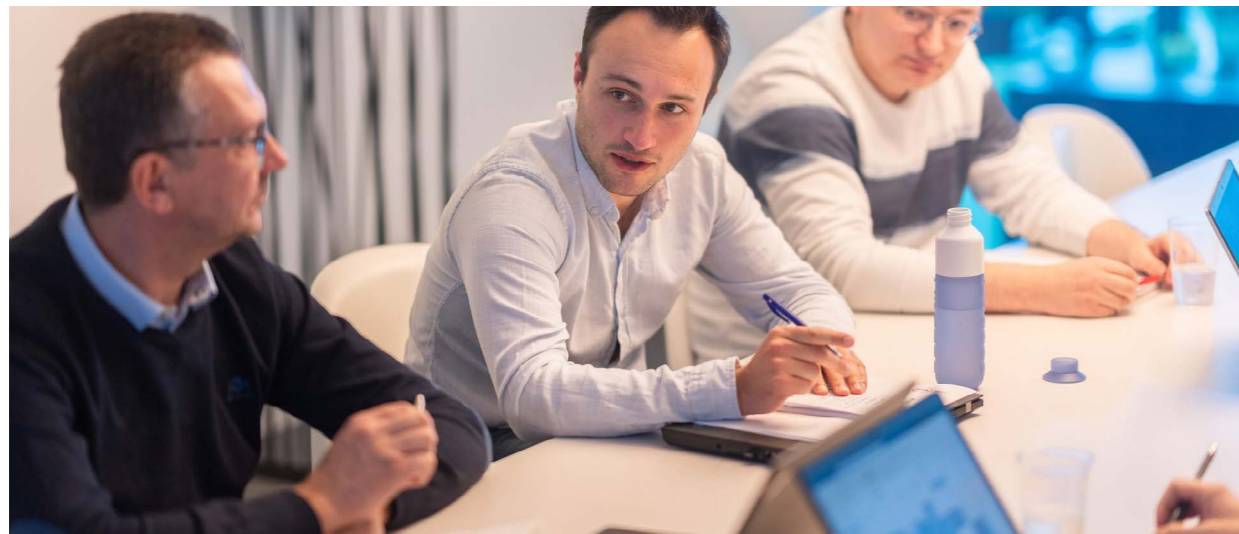
- **2024:** Validate our science-based reduction targets with SBTi.
- **2025:** Achieve 25% reduction in carbon footprint across all operations (Scope 1, 2 and 3), compared to 2019.
- **2030:** Achieve 75% reduction in carbon footprint in Scope 3, compared to 2019 and reach net-zero carbon in our Scope 1 and 2 emissions.
- **2050:** Achieve net-zero carbon in all operations (Scope 1, 2 and 3).

We have committed to SBTi in 2023 and plan to have our targets validated by the end of 2024. The SBTi validation process ensures our targets are aligned with the internationally recognized Paris Agreement.

In recent years, we have largely focused on integrating circular economy principles into our product portfolio and setting specific targets (see Product section). Our circular strategy is an integral part of our climate change strategy and net-zero goals. Increasing the use of renewable resources and switching to reusable and compostable products are key drivers in our greenhouse gas emissions reduction, which we explain further in the Greenhouse Gas Emissions, Scope 3 section.

Our ESG strategy is integrated into deSter's overall strategy, and our approach to reducing greenhouse gas emissions is an integral part of this. We

discuss our progress and actions during monthly carbon emissions reduction meetings with the President of deSter.



OVERVIEW OF GREENHOUSE GAS EMISSIONS

Scope 1, 2 and 3 emissions

To reduce carbon emissions, it is essential to identify the largest sources of emissions, both within our operations

and across our value chain, and implement the most effective measures. That is why, in 2023, we completed a comprehensive overview of our carbon emissions, which was calculated using activity-level data and supplier reports, and provided valuable insights.

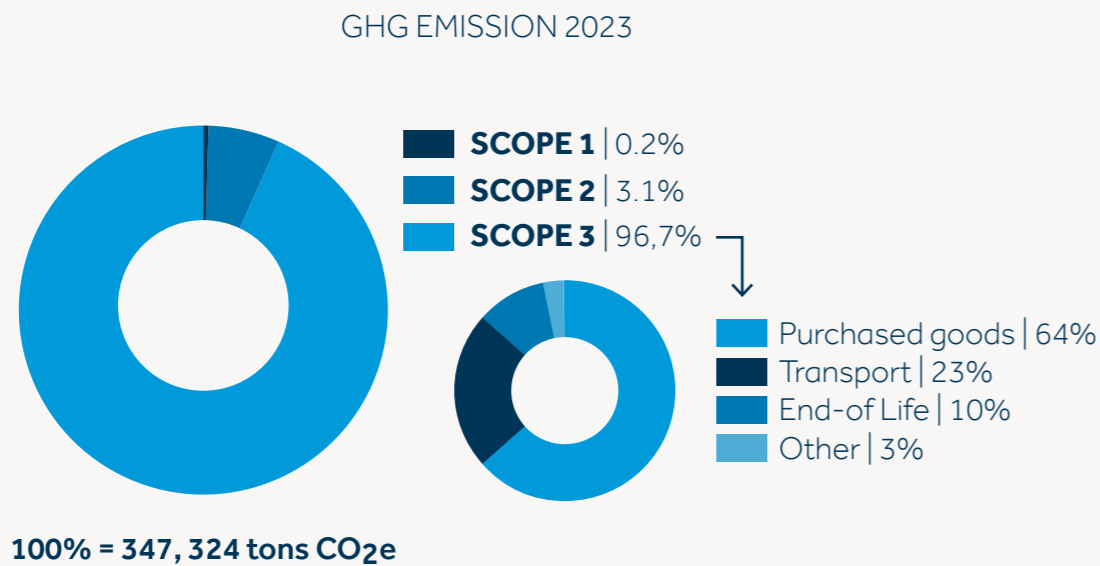
Scope 1 emissions, primarily from our factories, represent only 0.2% of our total emissions. Scope 2 emissions,

associated with the energy used to power our manufacturing processes, account for 3.1%. Scope 3, emissions across the value chain, account for the largest share, representing 96.7% of our total emissions. Within Scope 3 emissions, purchased goods and services (Category 1), upstream transport and distribution (Category 4), and the end-of-life of our products (Category 12) have the most significant impact.

Decline in carbon emissions

When measuring our progress on ESG initiatives, including emissions reductions, we use 2019 as the benchmark year. In 2023, we are pleased to report a 50% reduction in our total

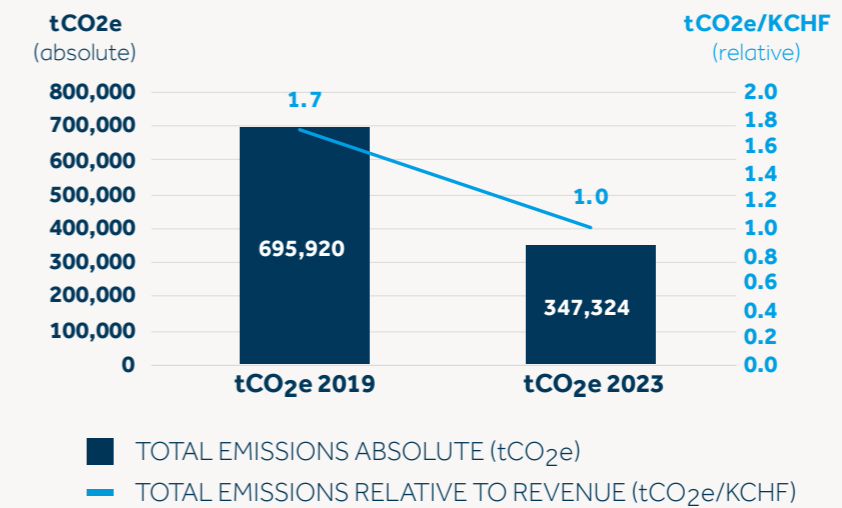
emissions (tCO₂e) compared to 2019. In addition, we have decreased our greenhouse gas emissions as a percentage of our turnover by 42% compared with the base year. We are proud and empowered to see deSter's carbon intensity and absolute emissions decrease significantly.



Scope 1, 2 and 3 emissions 2023	CO ₂ -equivalent (tons)	Share of total emissions
S1 – Stationary combustion	361	0.1%
S1 – Mobile combustion	205	0.1%
S1 – Refrigerants	206	0.1%
Total Scope 1	772	0.2%
S2 – Electricity location-based	10,724	2.9%
S2 – Electricity market-based	10,577	2.9%
Total Scope 2 (market-based)	10,577	3.1%
S3 – Cat 1: Purchased goods	220,063	63.4%
S3 – Cat 4: Upstream transport	80,153	23.1%
S3 – Cat 12: End-of-life products	35,589	10.3%
Total Scope 3	335,806	96.7%
Total greenhouse gas emissions	347,324	100%

Our reported Scope 1 and 2 emissions provide valuable insights into deSter's emissions profile. For example, Scope 2 accounts for significantly more emissions than Scope 1. Meanwhile, Scope 3 accounts for the lion's share of our emissions, as is the case for most companies.

GHG EMISSIONS ABSOLUTE VS RELATIVE
50% DECLINE IN ABSOLUTE GHG EMISSIONS



Main drivers of carbon emissions decline:

Purchased materials:

- A major shift away from single-use plastics:** Thanks to our ongoing transition toward reusable and renewable materials, such as wood and paper fibers, we are purchasing smaller quantities of plastic materials. Since plastic has a higher carbon footprint than fibers and wood in the extraction phase, this has made a positive impact on our emissions figures.
- Phasing out aluminum products:** Aluminum has a high carbon intensity compared with plastics or fiber-based raw materials. As we purchased less aluminum, our emissions decreased in tandem.
- Fewer cardboard boxes:** We offered boxes to customers less frequently and, as a result, purchased fewer boxes in 2023 compared to 2019, furthering reducing emissions.
- Covid-19 recovery:** We are still recovering from the pandemic, causing a decline in business

compared with 2019. Due to lower sales turnover, we purchased fewer materials overall, which contributed to lower emissions.

Transport:

- Our "glocal" ("global local") approach:** We strive to keep production close to our customers. Besides our sites in Belgium and Thailand, we started producing more items in the US in 2019, when our Lima factory became fully operational. In 2023, we also began working with a manufacturing partner in Dubai. These additional locations have reduced the need for long-distance transport to nearby clients.
- Decreased use of air freight:** Thanks to more efficient transport planning to ensure on-time delivery, we have decreased our reliance on air transport.
- Optimized transport routes:** By reviewing and optimizing our transport routes, we were able to reduce emissions and save time.

Product end-of-life:

- More reusable products:** As part of our shift away from single-use materials, we produced more reusable products in 2023 compared with 2019. When products can be reused multiple times before they reach their end-of-life, they create significantly less waste, and thus produce fewer emissions, compared to single-use plastic products.
- Lower aluminum product sales:** Aluminum also has a high carbon intensity at end-of-life. While phasing out this material, we sold fewer aluminum products, which contributed to lower emissions.
- Covid-19 recovery:** As noted in "Purchased materials" above, deSter is still recovering from the pandemic. We saw lower product sales volumes in 2023 compared with 2019; fewer products sold mean fewer emissions at the end-of-life stage.

Actions on carbon emission reduction

Our goal is to efficiently and effectively allocate our resources to actions that lower Scope 1, 2 and 3 emissions. To that end, we took several actions to lower emissions and continued to assess other possibilities in 2023. Since we cannot address every area simultaneously, and some categories can only be indirectly influenced, we must prioritize and focus our efforts. By concentrating on reducing Scope 1 and 2 emissions through initiatives such as adopting green electricity, and targeting specific actions within Scope 3, like the supplier engagement project on carbon reduction, we strive to meet our goals.

The following pages provide data, analyses, and key actions taken and planned for each Scope. An overview of all actions taken in 2023 and planned in the coming years is available in the addendum.

CDP reporting

In 2023, we submitted our first report to the CDP (Carbon Disclosure Project) on climate change. The CDP is an internationally recognized non-profit organization to which companies, cities, and governments disclose their data and mitigation measures related to their environmental impacts. It aims to make environmental reporting and risk management a corporate standard and, specifically on climate change, helps us compare our current performance with peers and communicate with our customers. Based on the questions and results from this report, we have defined areas for improvement.



SCOPE 1

Our Scope 1 emissions

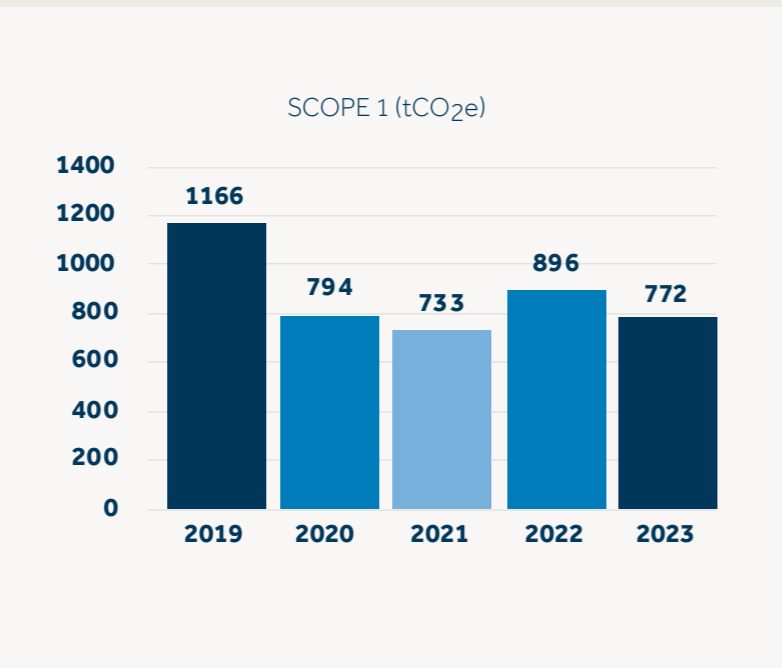
Our Scope 1 emissions, resulting from our production units in Hoogstraten, Prachinburi, and Lima, are produced by three different sources:

1. Stationary combustion: Emissions from the usage of natural gas, LPG, and distillate fuel oil (heating fuel oil).
2. Mobile combustion of company vehicles: Emissions from the combustion of fuels by company vehicles, taking into account all fuel bought by deSter at our various locations.
3. Refrigerants: Emissions used to cool our production processes, based on leakages and procurement of refrigerants.

Since 2019, our Scope 1 emissions have been decreasing. We are pleased to report that our 2023 emissions have decreased by 34% compared to 2019, surpassing our 25% reduction target set for 2025. Actions taken to reduce our Scope 1 emissions are detailed in the next chapter.

The largest portion of Scope 1 emissions is caused by stationary combustion, accounting for almost half of all Scope 1 emissions (see graph). Hoogstraten has the highest share of these emissions.

Greenhouse gas emissions 2023	CO ₂ -equivalent (tons)
S1 – Stationary combustion	361
S1 – Mobile combustion	205
S1 – Refrigerants	206
Total Scope 1	772



Actions to reduce Scope 1 emissions

Electrification

When it comes to reducing our Scope 1 emissions, the most impactful step we have taken so far has been making the switch to electrically powered machines and vehicles. Over the past six years, 11 electric injection molding machines have been installed in Hoogstraten, replacing old hydraulic machines. Generally, when procuring machines or lines for our production facilities, we prefer fully electric or energy-efficient options. In Lima, one of our most recent production sites, all machines run entirely on electricity.

Secondly, at our headquarters, which has the largest share of leased company cars, a transition is underway from diesel and gasoline cars to electric vehicles. In 2023, a new policy was put in place to ensure that only electric cars are leased. Every few years, a new vehicle can be chosen within this leasing

arrangement, allowing diesel, gasoline and hybrid cars to be phased out gradually. Currently, in Belgium, 63% of leased cars are hybrid or electric. Compared to 2019, an estimated savings of 55 tons of CO₂e in Scope 1 was realized due to reduced fuel consumption by company cars. Additionally, all forklifts in Hoogstraten and Lima are electric, while in Prachinburi, they still run on diesel.

Heating

Additionally, certain areas of the Hoogstraten plant, such as the warehouse, are no longer heated. This has lowered the distillate fuel oil consumption and brought the site's gas usage to zero for 2023. Thanks to these measures, we are pleased to report a savings of 7.6 tons of CO₂e in Hoogstraten for 2023, compared with 2019.

Cooling installation

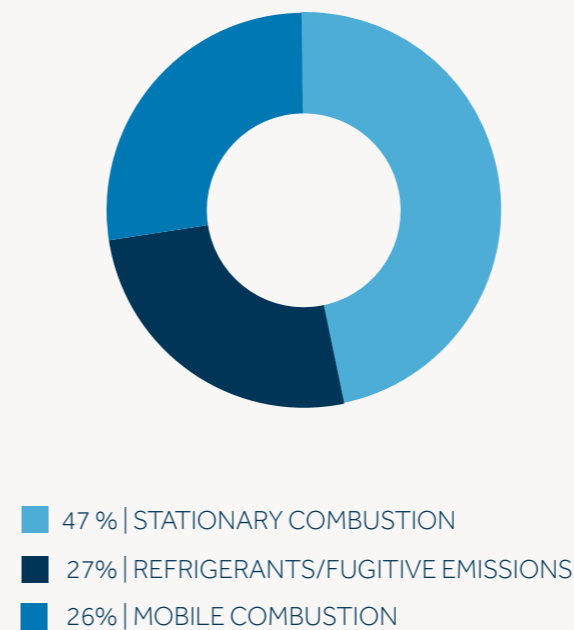
In Hoogstraten, our cooling installations operate in a closed-loop system. This means we reuse the refrigerants repeatedly, eliminating emissions from

these processes. We have our installations checked annually by an external firm to detect any leaks and ensure everything is functioning properly. In Hoogstraten in 2023, we measured a reduction of 23.8 tons of CO₂e in Scope 1 compared to 2019, due to the absence of refrigerants leaking in 2023.

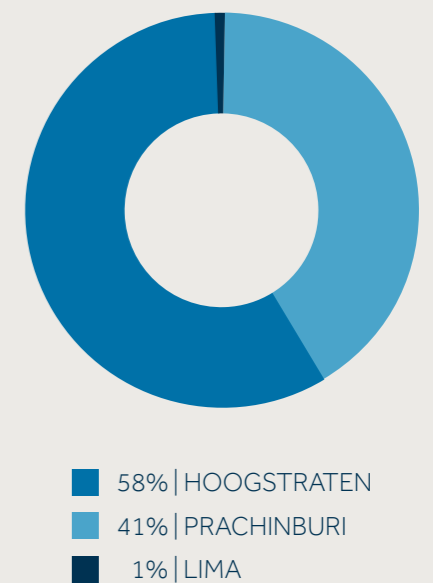
Upcoming actions

- Conduct a study on two different options: to reuse heating in production, and to reduce heating oil in Hoogstraten. This study will be conducted by Antea Group and subsidized by the Flemish government.
- Continue replacing diesel vehicles with electric ones in Hoogstraten.
- Develop and evaluate a business case for electric forklifts in Prachinburi, considering the potential impact on greenhouse gas emissions.

BREAKDOWN OF EMISSIONS BY SOURCES IN SCOPE 1 OF 2023 GHG EMISSIONS



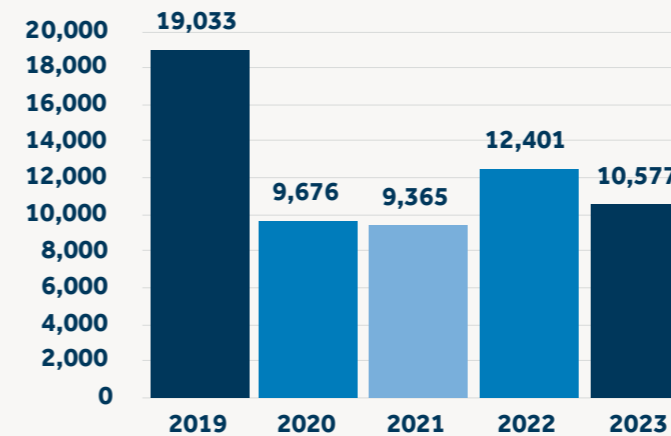
BREAKDOWN OF EMISSIONS BY PRODUCTION LOCATIONS IN SCOPE 1 OF 2023 GHG EMISSIONS



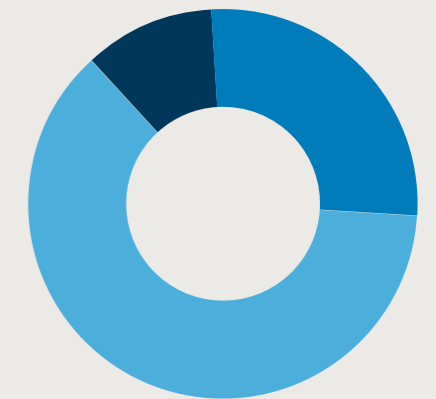


Khizar Naseer
Development & Engineering

SCOPE 2 (MARKET-BASED, tCO₂e)



SCOPE 2 BREAKDOWN OF LOCATION-BASED EMISSIONS IN 2023



- 27% | HOOGSTRATEN
- 62% | PRACHINBURI
- 11% | LIMA

SCOPE 2

Our Scope 2 emissions

Our scope 2 emissions come from the electricity we purchase and use at our sites. No heat or steam is purchased separately, and deSter does not sell any energy. Therefore, all Scope 2 emissions are solely due to electricity purchases.

The Greenhouse Gas Protocol describes two approaches for calculating Scope 2 emissions: the location-based method and the market-based method. The location-based approach considers the overall power grid where energy is used, focusing on the region's average carbon emissions. The market-based method, on the other hand,

focuses on the emissions specifically from the electricity you choose to buy, based on emission factors from agreements and contracts with the energy provider. These agreements might include details about how the energy was generated, or whether a company can buy green certificates separately from the energy itself.

Having calculated both methods, we have shared the figures above. However, we have based our graphs and target tracking on the market-based method because we purchase green electricity from our supplier in Belgium, which is accounted for in this approach.

As shown in the table below, the market-based Scope 2 emissions are slightly lower than the location-based meth-

od. This is due to the green electricity procurement added to the contract in Belgium in 2023.

Similar to our Scope 1 emissions, our Scope 2 emissions have declined since 2019. In 2023, Scope 2 emissions (market-based) decreased by 44%. We have outlined the actions taken to achieve this reduction on the next page.

Prachinburi represents the largest share of Scope 2 emissions. Although Prachinburi has a lower electricity consumption than Hoogstraten, its emissions are higher due to the more carbon-intensive electricity supply of the Thai grid, compared to the Belgian grid.

Scope 2 emissions 2023

CO₂-equivalent (tons)

S2 – Electricity, location-based	10,724
S2 – Electricity, market-based	10,577

Actions to reduce Scope 2 emissions

Carbon intensity of grids

Across all of our production sites, we have seen a reduction in carbon intensity of electricity over the past few years, due to an increased supply of electricity from renewable or low-carbon sources.

Green electricity

deSter aims to contribute to the shift towards renewable energy sources. With this in mind, in Hoogstraten, we started purchasing 10% of our electricity supply from renewable resources in 2023, leading to a decline in the market-based Scope 2 emissions. This shift to renewable energy in Hoogstraten resulted in an estimated savings of 147 tons of CO₂e.

Furthermore, we have investigated business cases to produce green electricity at our sites. In Lima, we have had several discussions with the landlord of the facility about installing rooftop solar panels to generate green electricity. Representatives from our Prachinburi

plant are also collaborating with the local government in hopes to install solar panels. In 2024, both cases will be further evaluated.

In Hoogstraten, we are currently assessing a business case for installing solar panels and a windmill. Discussions with the landlord are ongoing as we develop the details.

Energy efficient production processes

In recent years, increasing energy efficiency in our production processes has been a priority. We have achieved significant savings by gradually renewing the machines used for injection molding.

Another initiative involves replacing single-use plastic cutlery produced via injection molding machines with paper board cutlery. For this new production line, we developed highly efficient, servo-driven machines with minimal use of compressed air, resulting in substantial savings in electricity consumption per item. For example, producing a paper board cutlery fork uses 62% less elec-

tricity compared to an average injection molding plastic fork. In 2023, an additional press board line was developed and became operational in January 2024, doubling our capacity to produce paper board cutlery as an alternative for single-use plastic cutlery items. Later in 2024, a similar production line in our Thai plant will become operational.

Production of reusables

Our overall circular economy strategy is transforming our product portfolio by developing and introducing both reusable and compostable items. More details can be found in the Product section of this report. Both item categories have a positive impact on electricity usage: the production techniques for compostable items require less energy compared to plastic ones, and reusable items ensure that overall fewer items are needed compared to single-use items, thus reducing electricity consumption as well.

Lighting

In previous years, we have implemented energy-saving measures at our production sites by switching to LED lights, installing sensors and limiting lighting to the necessary areas of our warehouse. In 2023, Prachinburi completed replacing old lighting with LED lamps, resulting in an estimated annual savings of 43,200 KWh/year, or 20 tons of CO₂e. In Hoogstraten, the switch from fluorescent to LED lighting continued in 2023. This transition will be completed in 2024, ensuring that all lighting in Hoogstraten will soon be LED.

Analyses and audits

To increase efficiency and reduce energy consumption, we have conducted several analyses and audits of our energy consumption. Both internal and external analyses help us measure and make informed decisions on actions to improve efficiency. At Hoogstraten, Pentaq Energy Solutions analyzed compressed air leaks twice in 2023. Hoogstraten has also been using Sensorfact since the end of 2022. This measurement tool allows specific machines to be analyzed, and based on this data, actions can be taken to reduce energy consumption and increase efficiency. In Prachinburi, we procured a machine that detects air leakages, enabling us to fix air leaks and save energy.

Lessons learned

Every month, the Environmental Footprint Manager holds a meeting on carbon emission reduction measures with the VP of Production, the plant manager, and technical experts from all our production sites. These meetings ensure that we are regularly sharing knowledge and implementing actions regarding carbon emission reduction and energy efficiency.

Upcoming actions:

- Purchase of 20% green electricity in Hoogstraten for Q1-Q2 2024, with an estimated saving of 288 tCO₂e
- Purchase of 20% green electricity in Prachinburi for Q1-Q2 2024, with an estimated saving of green 661 tCO₂e

- Purchase of 20% green electricity in Lima for Q1-Q2 2024, with an estimated saving of 123 tCO₂
- Further investigation and development of solar panel installation in Hoogstraten, in collaboration with our landlord
- Conducting an analysis of compressed air leakages in Hoogstraten twice a year by an external firm, with follow-ups and solutions done internally
- Creation and implementation of a procedure to regularly use the new air leakage detection machine in Prachinburi
- Continued analysis and implementation of the results of Sensorfact into Q1-2 of 2024
- Installation of a third line of paper board cutlery in Hoogstraten (expected to be operational in Q3) and the launch of the first line in Prachinburi, expected to become operational by July 2024. These investments will boost deSter's capacity to produce paper board cutlery as an alternative to single-use plastic cutlery. As described earlier, these machines are highly energy-efficient
- Gradual transition to LED lighting in Hoogstraten
- Conduct a study to reuse heating in our production process and reduce fuel oil consumption in Hoogstraten



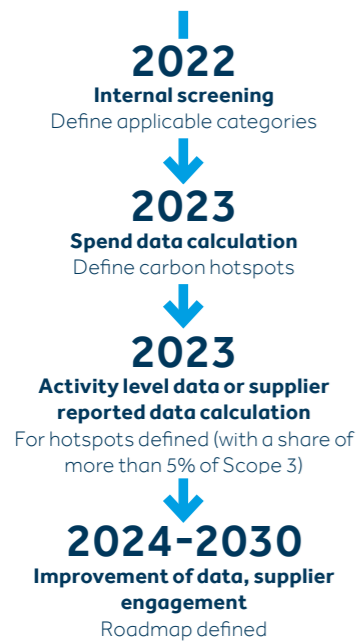
Paper board cutlery

SCOPE 3

Our Scope 3 emissions

After an initial screening in 2022 and calculations based on financial data, we succeeded in calculating our Scope 3 emissions at the end of 2023 using activity-level data and data reports by suppliers. We always use 2019 as our reference for comparison. This report focuses on 2023 data, but we have used the same approach and methods to calculate Scope 3 emissions for the previous years as well.

As shown in the graph on the bottom of the next page, we developed and followed a clear methodology to **calculate Scope 3 emissions**.



The first step entailed consulting deSter's internal stakeholders and determining that the following **Scope 3 categories are irrelevant**:

- **Category 11** (Use of sold product): Our products do not directly emit greenhouse gas emissions during their use
- **Category 13** (Downstream leased assets): deSter does not lease any buildings to other parties
- **Category 14** (Franchises): We do not own or operate any franchises
- **Category 15** (Investments): deSter does not make external investments

The next step was an initial assessment of the relevant Scope 3 greenhouse gas emissions based on financial data, a recommended approach for identifying carbon hotspots. This assessment showed clear carbon hotspots and focus points to further refine the approach for Scope 3.

Based on this first analysis, the major **Scope 3 categories (carbon hotspots) were identified**:

- **Category 1** (Purchased goods and services): This includes the materials we buy to produce our products and the finished and semi-finished products we source
- **Category 4** (Upstream transport and distribution): This includes the transport of materials and products to our factory and warehouses, as well as the transport that we pay for to deliver our products to our customers.
- **Category 12** (End-of-life of products): This involves the waste treatment and waste disposal by our customers of the products they buy from us.

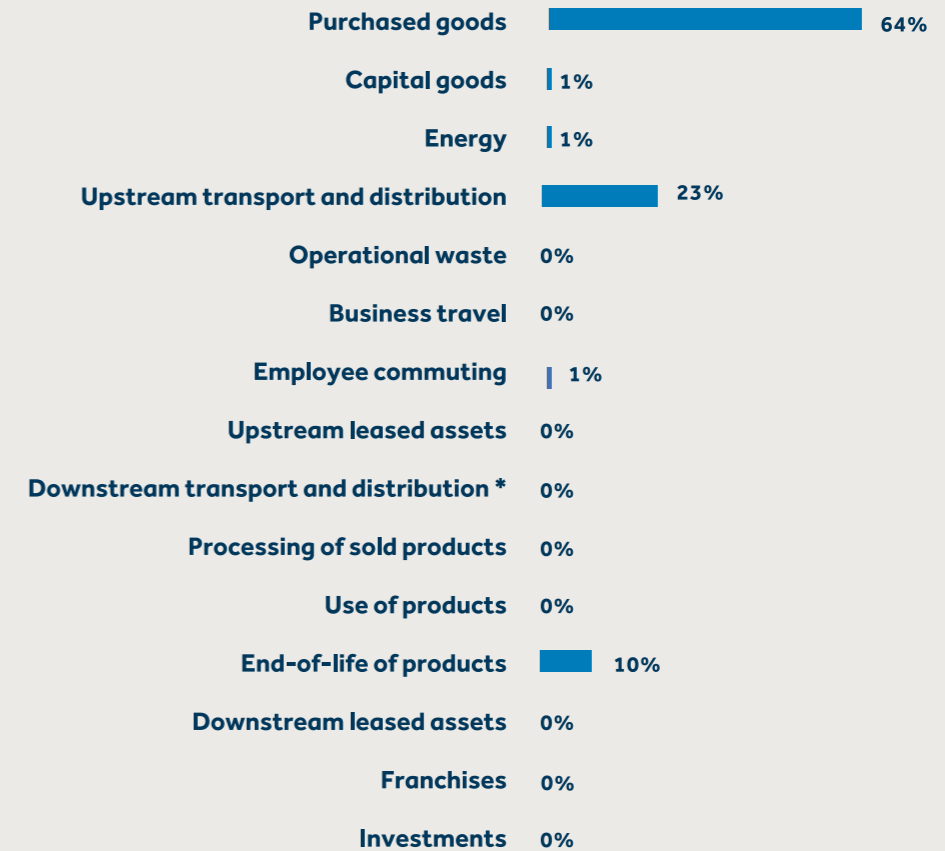
For 2023, these three categories accounted for 97% of the total Scope 3 emissions and are thus reported here. The other Scope 3 categories do not exceed the 5% threshold and are not included in the 2023 report.

In 2024, we will take further steps to improve Scope 3 accounting. To facilitate enhancements, we have developed a roadmap for Scope 3 accounting to guide us in the coming years (see graph on the bottom of next page). We will focus on activity-level data for the largest categories and use supplier data when available (for example, on business travel). Our goal is to continuously improve Scope 3 accounting, ensuring comparable results over time and allocate resources to the most relevant categories. This approach follows with the GHG Protocol Standard, which prioritizes data collection based on the magnitude of GHG emissions.

In the following pages, we take a deep dive into the relevant Scope 3 categories for the reported 2023 data.



PERCENTAGES OF TOTAL SCOPE 3 EMISSIONS PER CATEGORY



Scope 3 category	2022	2023	2024	2025	2026	2027	2028	2029	2030
1 Purchased goods	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
2 Capital goods	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
3 Energy	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
4 UP transport and distribution	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
5 Operational waste	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
6 Business travel	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
7 Employee commuting	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
8 UP leased assets	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
9 DS transport and distribution	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
10 Processing of products	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
11 Use of sold products	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
12 End-of-life of products	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
13 DS leased assets	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
14 Franchises	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report
15 Investments	Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report	Lack of data, cannot report

Supplier specific	Average method with activity data	Average method with spend data	Lack of data, cannot report	Not relevant
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*Transport and distribution after our products are delivered to our customers, including logistics by customers or end-consumers, according to Greenhouse Gas Protocol



Category 1: Purchased goods and services

Purchased goods and services encompass the emissions related to the extraction, production, and transportation of goods and services bought by deSter (cradle-to-gate). Most emissions in this category are related to raw materials and traded goods, which aligns with our business model as a manufacturer and trader of goods.

We use the average-data method to extract higher quality data in this category. Using this method, we calculate greenhouse gas emissions based upon the weight (kg) of items procured multiplied by average emission factors per unit. Most emission factors are retrieved from Ecoinvent 3.10, using the IPCC 2021 GWP-100 values. The latter are the standard values on Global Warming Potential (GWP) as defined by the Intergovernmental Panel on Climate Change (IPCC).

The largest sources of emissions in Category 1 are related to the following materials:

- Plastic
- Metal
- Paper

Our top three indicate that material weight cannot always be directly linked to CO₂ emissions. While plastics have the highest weight and CO₂ emissions, paper is the second largest material by weight, followed by porcelain. However, in terms of CO₂e, metal is the second largest and paper comes third. Due to the high carbon intensity of aluminum and stainless steel compared to ceramics, the top three for emissions look different from the top three by weight.

Category 4: Upstream transport and distribution

Category 4 includes different aspects:

- Transportation and distribution of purchased products from tier 1 suppliers to our sites, via third party vehicles.
- Third-party transport and distribution purchased by deSter, including inbound and outbound logistics, and transport between our own facilities.

This category includes all transportations and distribution paid for by deSter. Since deSter does not own any heavy-duty vehicles, all freight transport is done by external companies. The most common form of transport is by sea, followed by road and air transport. Air transport is used as little as possible.

Our largest transport suppliers report their emissions from our transport-related activities directly. We have used this data for our 2023 emission reporting.

Since warehousing accounted for a very small fraction of the total Scope 3 emissions in the financial assessment (less than 1%), we excluded it from our calculations. The focus is purely on transport activities. Our products do not require cooled storage and can be stored in regular warehousing.

We used a combination of supplier-specific reported emissions and spend data calculations (based on the known emission of suppliers per mode) to calculate Category 4.

Category 12: End-of-life of products

End-of-life of products refers to emissions related to waste disposal and waste treatment of our products at the end of their life. Our customers dispose of the manufactured items and traded goods sold by our company at the end of their life, causing varying emissions depending on the disposal and treatment method.

For end-of-life of sold products, we use an average-data method. The weight of sold items is multiplied by emission factors (based on Ecoinvent and IPCC 2021 method) for waste management of different material types.

In the coming years, we will strive to collect more detailed data on how our clients dispose of their waste, as well as more granular emission factors per region and type of material.

PURCHASED GOODS

Type material	tCO ₂ e 2023	Share of category 1
Plastic	56,484	26%
Metal	24,356	11%
Paper	15,752	7%
Textile	3,269	1%
Amenity	3,205	1%
Porcelain	2,718	1%
Catering	1,214	1%
Other	768	0%
Glass	516	0%
Wood	231	0%
Fiber	74	0%
Total deSter rest of world	108,568	49%
Total deSter Germany	111,477	51%
TOTAL	220,063	100%

UPSTREAM TRANSPORT

Mode of transport	tCO ₂ e 2023	Share of Category 4
Road (trucks)	59,207	74%
Other	7,993	10%
Combination	6,551	8%
Ocean (vessel)	5,435	7%
Air	967	1%
TOTAL	80,153	100%

END-OF-LIFE OF PRODCUTS

Type of material	tCO ₂ e 2023	Share of category 12
Plastics	10,145	29%
Mixed materials	3,764	11%
Fiber	3,465	10%
Ceramics	1,486	4%
Textile	395	1%
Paper	194	1%
Wood	154	0%
Metal	58	0%
Glass	8	0%
deSter Germany	15,922	45%
TOTAL	35,589	100%

Actions on Scope 3 emissions

Product circularity and renewable resources

With our circular economy strategy and actions, we have directly reduced our emissions in two of the largest categories of our Scope 3 emissions: Category 1 (Purchased Goods and Services) and Category 12 (End-of-Life of Products). By switching to compostable and reusable products, we reduce our end-of-life impact of our products. What's more, using reusable products decreases the need for sourcing new materials, while using renewable resources for our compostable items reduce the reliance on fossil-based resources and so largely reduce our emissions.

To further transition from fossil-based resources to renewable plastic materials, we initiated the process for our Hoogstraten factory to become ISSC+ certified in 2023. This certification, received in April 2024, enables us to offer circular, bio-based and bio-circular materials to our customers.

Furthermore, in 2023, we began comparing different renewable raw material options based on their carbon intensity. For example: we assessed the Global Warming Potential (GWP) of various types of paperboards for paper board cutlery items and discussed recommendations with the Research and Development department.

Supplier engagement pilot for greenhouse gas emissions

To reduce our Scope 3 emissions, it is of the utmost importance to actively work with our suppliers on the decarbonization of their businesses. Decarbonizing their operations directly impacts our Scope 3 emissions through the products and services we buy from them. It also facilitates a broader decarbonization effort across the entire value chain.

In late 2023, we prepared a supplier engagement pilot with selected suppliers, which began in early 2024. The aim of the pilot is to obtain more supplier-specific data to better understand the carbon emissions of the materials and products we purchase. The pilot was designed based on insights from the Belgian Alliance for Climate Action (BACA). As part of this initiative, the Environmental Footprint Manager provided training to the procurement team on how to implement a supplier engagement program on greenhouse gas emission reduction.

Moreover, carbon emissions tracking, targets and actions are now incorporated into our supplier ESG assessments and audits (see Sustainable Procurement in the People section).

Product carbon footprint

In response to the increasing demand for customized carbon footprint calculations, we started building a product carbon footprint calculator in 2023.

We are developing our tool, which we expect to launch in Q2 2024, in accordance with the Greenhouse Gas Protocol standards and it will be externally audited. Our custom carbon footprint calculator will enable our customers to compare different products based on their carbon emissions throughout their entire life cycle. It will enhance our customers' ability to make informed choices and ensure the products they procure from us align with their sustainability strategies.

In addition to allowing us to perform more efficient carbon footprint calculations for our customers, this tool will also support our internal teams in making informed decisions to lower our Scope 3 emissions.

Carbon-optimized products

As part of our effort to offer our customers products with minimal carbon emissions and further decrease our own carbon emissions, we began developing carbon-optimized products in 2023. The products are designed to use the lowest carbon footprint options available at each step of their lifecycle, such as using 100% renewable materials.

Additionally, we have outlined a plan to further reduce our carbon footprint and offset any remaining emissions through reliable high-standard compensation programs. The entire development process, including the compensation program, will undergo a stringent external audit. As pilot products, we will use our Collect cup, a reusable cup intended to replace single-use cups onboard aircraft; the Opticup, an optimized reusable cup for foodservice events; and our paper board cutlery. Those carbon optimized products should become available as per Q2 2024.



Revolve, reusable bowls

ENERGY

ESRS E1

OUR APPROACH

Energy consumption at our manufacturing sites is primarily related to electricity (96%). A small share of 4% can be attributed to oil and petroleum, and less than 1% to LPG consumption. Consequently, this section focus exclusively on electricity. Specific electricity consumption reduction targets have been set for each of our three manufacturing locations. These targets and progress measurements on electricity consumption are based on relative consumption per manufacturing site: electricity (MWh) per production revenue (mCHF).

Our energy consumption targets:

- **End of 2025:** Site-specific targets
 - Hoogstraten: 6% reduction in electricity compared to 2019, relative to production revenue
 - Prachinburi: 5% reduction in electricity compared to 2019, relative to production revenue, excluding new technology lines
 - Lima: 10% reduction in electricity compared to 2021, relative to production revenue
- **End of 2030:**
 - Ensure 100% of our electricity comes from renewable sources
 - Achieve net-zero carbon in the energy we use (Scope 1 and 2), which means lowering our fuel and electricity use, choosing green alternatives, and offsetting any remaining GHG emissions

METRICS

In Hoogstraten, we achieved a decline of 31% in 2023, compared with 2019. In Prachinburi, we reported a decline of 14% in 2023, compared with 2019. For these two plants, we are well ahead of our targets. It is important to note that we have not taken into account the energy consumed by our new wet-molded fiber line in Prachinburi. As representative data is not yet available due to the start-up phase of this line, it is out of scope.

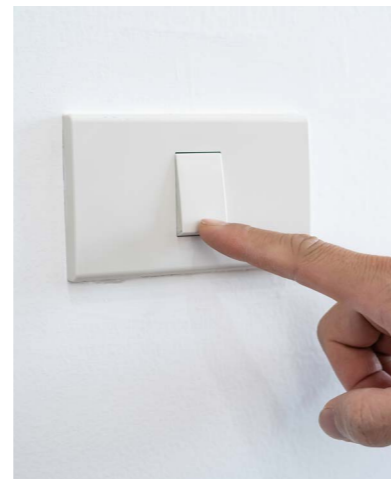
In Lima, relative electricity consumption increased by 21% in 2023, compared with 2021. As Lima is our youngest factory and continues to undergo many changes, the increase was not surprising. By increasing the efficiency of our production processes and learning from our other sites, we aim to see a relative decline in the coming years. At the moment, we are not on track to reach our 2025 target in Lima, although there is still time to change the trajectory.

ACTIONS ON ENERGY REDUCTION

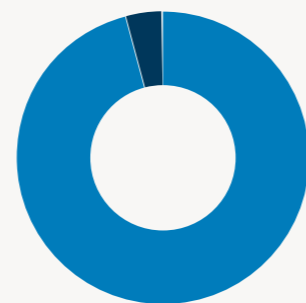
Our actions on energy are described in Scope 1 (fuel and gas sources) and Scope 2 (electricity) in the greenhouse gas emissions section of this report. Here are a few highlights that we implemented in 2023, **focusing on electricity:**

- Finished switching to LED lights at Prachinburi site. In 2023, some of the lights still needed to be transitioned. By the end of 2023, 100% were LED lights, generating a total estimated saving of 43,200 kWh/year.

- Switched to electrical company cars at our headquarters
- Invested in energyefficient manufacturing equipment, such as machines for paper board cutlery
- Started procuring green electricity in Hoogstraten, which was added to our contract in 2023



SHARES OF DIFFERENT ENERGY SOURCES AT OUR PRODUCTION SITES

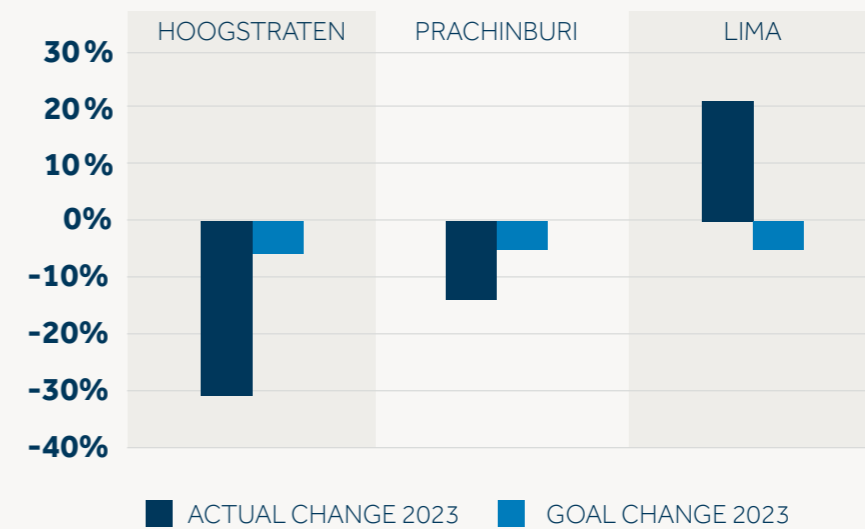


96% | ELECTRICITY
4% | OIL
0% | LPG

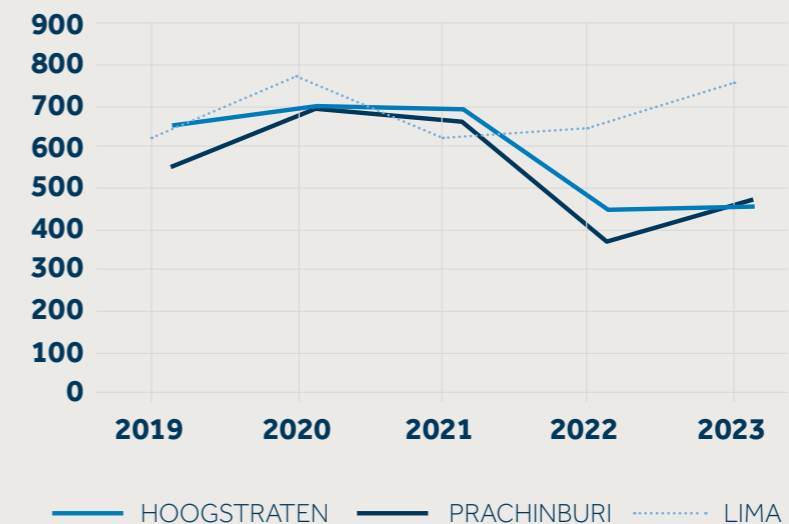


Electric charging stations, Belgium

PERCENTAGE CHANGE RELATIVE ELECTRICITY CONSUMPTION



ELECTRICITY INTENSITY (MWh / mCHF)



WASTE MANAGEMENT

ESRS E5

OUR APPROACH

Another important topic is waste. In this section, we will discuss waste resulting from our own operations, while the waste from products sold is described in the Product Circularity approach in the Product section of this report.

Our approach is based on the waste hierarchy of the European Union's Waste Framework Directive (1975/442/EEC). Based on this framework, we:

- Minimize the waste we produce in our facilities, reusing and recycling it as much as possible.
- Incinerate any remaining waste with energy recovery, ensuring it does not end up in landfill. Adhere to local legislation and only use landfill if legally required.
- Avoid hazardous waste in the first place; if any remains, we collect and treat it properly.
- With a focus on waste produced by our three manufacturing locations, we have set specific goals in the Global Environmental Policy:

End of 2025: Site-specific targets

- **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.

End of 2030: Site-specific targets

- **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 (in weight), compared to 2021, relative to production revenue.

End of 2050:

- Net-zero waste across all deSter operations.

METRICS

We have included an overview of the waste-related data in the appendix of this report. Below, share and explain some of the highlight.

Our absolute waste has declined by 42% in 2023 across all three factories compared with 2019 (see graph below), which aligns with our overall goal to achieve net-zero waste by 2050. Meanwhile, on a site-by-site basis, all three are on track to reach their specific goals on relative waste reduction. In Hoog-

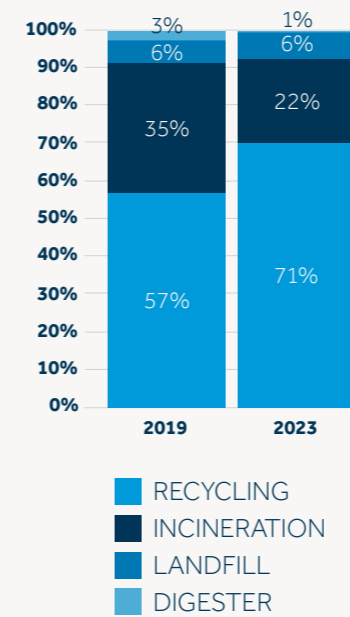
straten, we have achieved a decline in our waste relative to our production revenue of 15% in 2023 compared to 2019. In Prachinburi, we saw a decrease of 47% in 2023 compared with our 2019 baseline. Even more impressive, we achieved a 54% decline in 2023, compared to 2021, in our Lima factory. In the section below, we have furthered explained our actions.

In addition, our relative waste has decreased, which means deSter was less waste intensive in 2023 compared with 2019. Most of our waste is non-hazardous. However, due to changes in production, such as the introduction of new processes, our waste intensity increased in 2023 compared with 2022. We will closely monitor our waste in 2024 to ensure a decline in the total waste generated and waste relative to our production revenue.

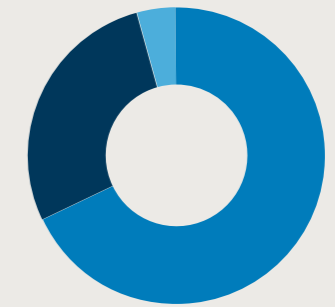
In 2023, hazardous waste accounted for the same percentage of total waste as it did in 2019: 9%. But more importantly, the absolute amounts, measured in tons, of hazardous waste declined by 42% in 2023, compared to 2019.

As shown in the graph on page 121, our waste treatment methods have shifted in 2023, with the share of recycled waste increasing significantly compared to 2019. We recycled 71% of waste, up from 57% in 2019, and incinerated less. While the absolute amount of waste (in tons) sent to landfill has

WASTE TREATMENT METHODS



SHARE OF TOTAL WASTE PER PRODUCTION SITE 2023



- 68% | HOOGSTRATEN
- 28% | PRACHINBURI
- 4% | LIMA

decreased by 31% in 2023, compared to 2019, the share remains relatively similar in both years. This is due to Thai legislation, which requires certain waste streams to be landfilled. In addition, the share of waste processed by digester machines has also decreased

ACTIONS ON WASTE REDUCTION

Actions in 2023

Reusing waste to create new products

To minimize internal waste and optimize the use of resources during our manufacturing process, we have systems at all of our production sites that turn waste materials into new items. For example, we have an internal plastic regrinding process that can grind waste, such as plastic film, into pellets, which can then be turned into new products. In 2023, we mixed 3,727 tons of reground plastics with virgin materials to produce new products in Hoogstraten.

Paper waste to wet-molded fiber

In 2022, we started a new project enabling us to reuse paper waste from our paper board cutlery production process as raw material in our wet-molded fiber production line. We successfully rolled out the system in 2023. At the

moment, the bleach pulp mix used in our wet-molded fiber production process can be composed of 20% reused press board paper material.

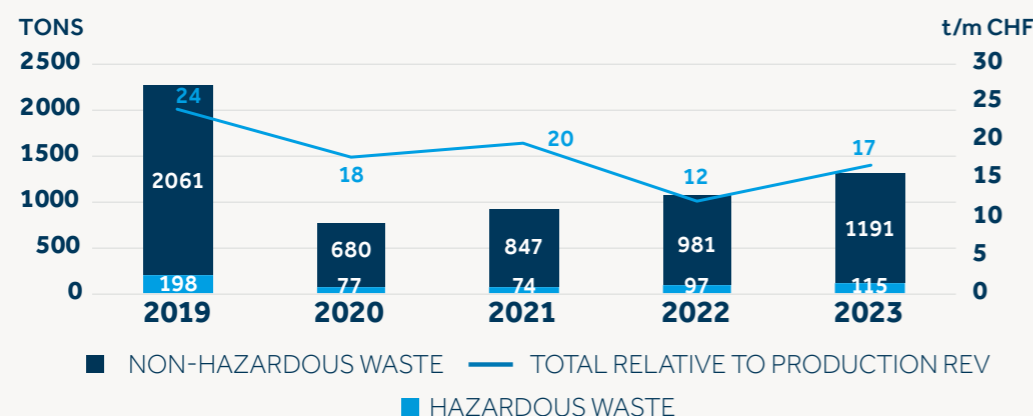
Our strategies to regrind plastic waste and reuse paper waste save resources and make a positive impact on the environment. Overall, we are proud to report 98% efficiency in the resources we use in our factories.

Less spillage and debris

A new tilting machine was installed in Lima in 2023 to transfer plastic pellets in a more efficient way, resulting in less spillage on the floor. As a result, we have reduced waste and increased efficiency.

In addition, we have committed to Operation Clean Sweep (OCS) in Hoogstraten. We are on a mission to achieve zero plastic pellet loss in the environment, starting by eliminating plastic debris in the first place. More on this can be found in the Pollution section.

ABSOLUTE WASTE AND RELATIVE WASTE, ALL PRODUCTION SITES





deSter's waste bins with icons

Awareness measures in the office

Lastly, we are working to increase employee awareness about waste and recycling in various ways:

- In Hoogstraten, some cafeteria waste is organic. We added a bin at the end of 2023 to collect organic waste for composting. Data on the organic waste is not yet available, since this initiative was implemented end 2023, but will be included in the next report.
- We added icons and posters about waste separation on bins to help employees discard waste correctly.
- During Earth Week in 2023, we encouraged employees to use reusable water bottles for sports or other activities instead of single-use bottles, which cause more waste.

Upcoming actions

- In 2024, Prachinburi will start its own paper board cutlery line. The residue board produced by this line will be reused by the wet-molded fiber line. In Hoogstraten, we will assess several options for recycling waste paper board in other products (e.g. corrugated cardboard).
- In Q2 of 2024, in Lima a new silo for plastic pellets will be installed, so suppliers can drop off shipments of materials in bulk instead of delivering separate carton bins on wooden pallets. This will save space, weight and packaging.
- We conducted an awareness campaign on waste recycling and reduction in April.
- We are assessing a new system in Hoogstraten to tilt plastic pellets during the extrusion process to reduce the risk of spillage.



WATER MANAGEMENT

ESRS E3

OUR APPROACH

Working with the Aqueduct Water Risk Atlas of the World Resource Institute, we checked the water stress levels at deSter's production sites. The sites in Hoogstraten and Lima are both in low water-stressed areas (both in the baseline and the 2050 scenario). The site in Lima is out of scope; however, the Hoogstraten site is in scope due to high costs related to water use. The plant in Prachinburi is in a high water-stress area. As a result, it is important to monitor water consumption at the Prachinburi plant.

Based on this information, we worked out an approach and targets for the two sites in scope and integrated them into deSter's Global Environmental Policy.

The approach currently focuses on local water consumption and pollutants at our Hoogstraten and Prachinburi

sites. Furthermore, we strive to minimize marine water pollution, specifically, as part of our Product Circularity efforts to avoid waste downstream (see the Product section of this report for more details).

We have set the following targets:

End of 2025:

Reach site-specific targets:

• Hoogstraten:

- Reduce water usage in Hoogstraten by 10%, compared to 2019 water usage and relative to production revenue
- Reduce zinc in wastewater with 15%, compared to 2019 and relative to production revenue
- Keep measured particles below regulated thresholds. Evaluate water analysis results for all measured particles to see if actions need to be taken.

- **Prachinburi:** Reduce water usage by 10%, compared to 2019 and relative to production revenue

- **Remark:** We are currently starting manufacturing lines in Prachinburi using a wet-molded fiber technology that is new to deSter and could impact water usage. Given this development, we will evaluate water usage in 2024 based on actual usage data.

End of 2030:

- **Prachinburi:** Construct a rainwater reservoir of 500m³

We adjusted our Hoogstraten water pollution targets compared to 2022 for two reasons: there was a legislative change and our 2023 analysis identified zinc as a substance requiring action.

METRICS

We have included an overview of the relevant data in the appendix of this report. Here, we will discuss progress on our targets and actions.

In 2023, relative water consumption in Hoogstraten was 10% lower than in 2019, on track with our 2025 target. We are also on track to meet our targets for reducing zinc in the wastewater, which is measured for a five-day period each year. In 2023, we saw an absolute decline of 51% and a relative decrease of 47% of zinc, compared to 2019. In Prachinburi, we achieved a 49% reduction in relative water consumption in 2023 compared to 2019, not including water usage from our new wet-molded fiber manufacturing line.

In this graph on the right, our absolute water consumption has declined across these two sites over the past five years. Together with a relative decline annually, our water consumption targets are on track.

ACTIONS ON WATER MANAGEMENT

Actions in 2023

- We developed a new wet-molded fiber production technique in Prachinburi that requires water. Since this is deSter's first wet-molded fiber line, we currently monitor this process separately in order to understand the consumption and define specific measures at a later stage.
- Following our 2022 annual report, which measured an increase in zinc in the wastewater at our Hoogstraten plant, we asked an external firm, Lubron, to assess actions that could be taken to lower the zinc concentration. The company advised deSter Hoogstraten to change one of the substances used in production and has followed up closely on our progress since
- A few years ago, deSter started to develop a new production technique: dry-molded fiber,

which uses up to 99% less water than wet-molded fiber production processes. Together with Pulpac, deSter is working to refine this technology so that it can be used to mass produce dry-molded food packaging products. We made progress in 2023, however, unforeseen technical challenges have caused this initiative to proceed more slowly than expected.

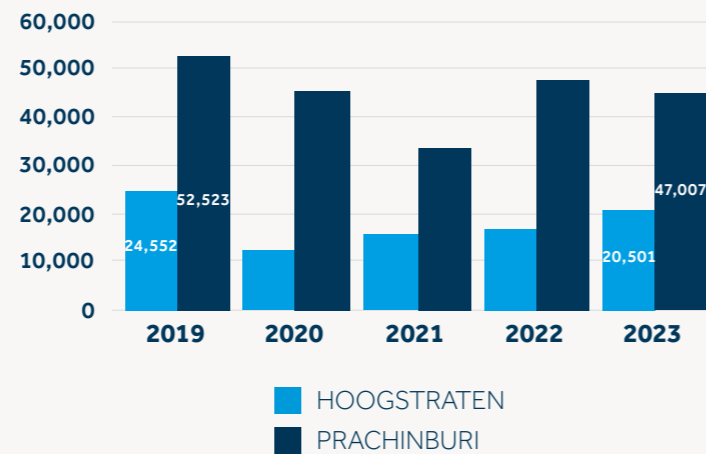
- Every year, we conduct external analysis on the quality and particles in the water at our Hoogstraten and Prachinburi sites. Using these measurements, we check to ensure particles found in the water are well below the legal thresholds and evaluate whether any additional actions are necessary.

Upcoming actions

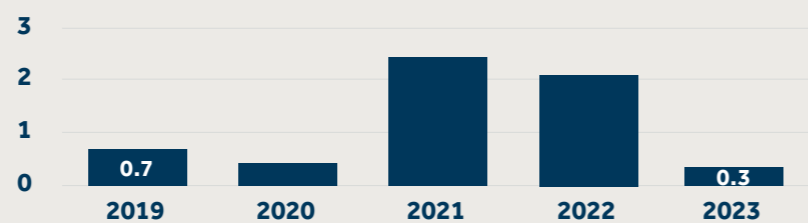
In 2024, we plan to take the following actions on water consumption:

- Closely monitor the water consumption of Prachinburi's new wet-molded fiber line. As this line started in 2023, it is still too early to draw conclusions. We will continue to conduct measurements and analysis in 2024.
- Further development of the dry-molded fiber line in Hoogstraten
- Assess alternative cooling systems in Hoogstraten and devise a business case to replace the old infrastructure with a new one, which should lower the water consumption required to cool our production processes

WATER CONSUMPTION (M3) PER YEAR



ZINC IN WASTE WATER (KG) HOOGSTRATEN



CHEMICALS

ESRS E2

OUR APPROACH

In our plants, chemicals are used for cleaning purposes and as additives for certain production processes. We are committed to limiting the impact of these chemicals on people and the planet. We have established an overall approach with recurrent targets, as part of our Global Environmental Policy.

Aiming for continuous improvement, we:

- Strive to choose the least harmful products for our production processes. Harmful substances are switched if possible.
- Always label chemicals clearly
- Store chemicals separately in protective areas to prevent the potential exposure to employees and the environment
- Ensure protective practices and equipment are available and in common use to minimize the potential injury for any employee in case of exposure to hazardous chemicals
- Sort and treat chemical waste via an external accredited waste treater
- Ensure all materials we buy to make our products hold safety data sheets (SDS) and align with food safety regulations, documents which are screened by the quality department to guarantee compliance
- Ensure all materials we source and use in Europe comply with the REACH requirements

ACTIONS ON CHEMICAL MANAGEMENT

Actions in 2023

Introducing ChemDirector

In Hoogstraten we implemented an external tool by IDEWE, called ChemDirector, in 2022. This tool keeps an inventory of all chemical products used at this site, providing an up-to-date overview of chemical agents that can be easily managed and maintained. In 2023, we fully updated and implemented our ChemDirector inventory tool. In addition, we teamed up with our supplier, INTERFLON, to analyze the cleaning agents and lubricants used in Hoogstraten. Next, we reduced the total number of different cleaning agents and lubricants by replacing some with agents already in use. Thanks to this exercise, we replaced nine chemicals

- In addition to these recurrent global targets, we have defined specific goals for the Prachinburi plant, which is reviewing its local approach to chemicals. By the end of 2024, we plan to review Prachinburi's revised approach and accomplish the following:
 - Select a chemical and hazardous substance transportation unit, which has appropriate qualifications, as required by local law
 - Supervise carriers' containers and transport vehicles, which must be certified and meet European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR) requirements

in use in Hoogstraten with agents already in use.

Continuous improvement in Thailand

In Prachinburi, we have created a separate warehouse for chemicals used in manufacturing to make storage safer. Additionally, in 2023, we appointed a dedicated team responsible for managing chemical spills, if any were to occur. We also purchased chemical spill cleanup kits, which we have made readily available in the new storage warehouse and in production areas where chemicals are used.

Upcoming actions

Hoogstraten

In 2024, we will continue improving our chemical inventory by identify and replacing chemicals with less harmful alternatives and reducing the total number of agents.

Prachinburi

In 2024, we will select an external transportation firm, which must be qualified according to Thai legislation and meet the standards of the European Agreement Concerning the International Carriage of Dangerous Goods by Road.

Lima

At our Lima site, we will separate the used oil from production processes by type to increase recyclability. To reduce air pollution, the factory will assess whether it can decrease the number of aerosol cans used and, if so, what actions would be required to achieve this.

POLLUTION

ESRS E2

OUR APPROACH

We strive to minimize pollution caused by our production processes and products. Our material topics, soil and air pollution related to our operations, will be explained in this section. We have discussed pollution by substances of high concern in the Chemicals section, while pollution caused by mismanagement of waste of our products downstream is described in the Product section.

We have set anti-pollution targets in our Global Environmental Policy as follows:

Commitment to Operation Clean Sweep (OCS) by end 2025 all manufacturing sites have committed to OCS.

Air pollution

- See Greenhouse Gas Emission targets 2025, 2030 and 2050 (see Greenhouse gas emissions in the Planet section)
- By 2025 for Hoogstraten:

- Lower VOCs (Volatile Organic Compounds) emitted by 40%, compared to 2019 and relative to the production revenue.
- Reduce NOx (nitrogen oxides) emissions by 50%, compared to 2019 and relative to the production revenue.
- Reduce the SOx (Sulfur oxides) emissions by 50%, compared to 2019 and relative to the production revenue.

- For Prachinburi, we have reported VOCs in 2023 and are evaluating whether we need to set targets. VOCs are not relevant to Lima.

- SOx and NOx are not yet measured at Prachinburi and Lima, thus we have not set any targets.

Soil pollution

- See waste targets 2025, 2030 and 2050 (see Waste Management in this section)
- Hoogstraten: Follow up on an oil spill in soil that occurred in 2012 and has since been remediated

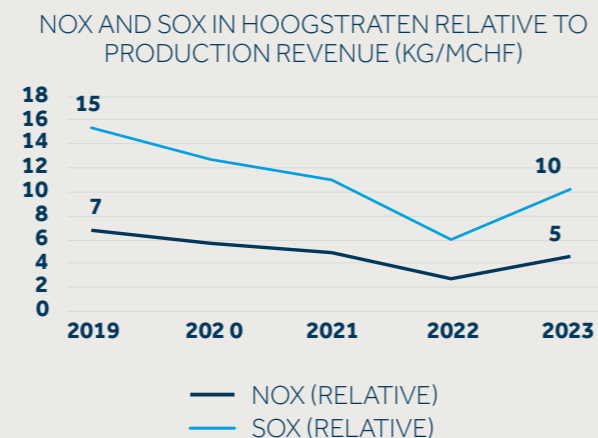
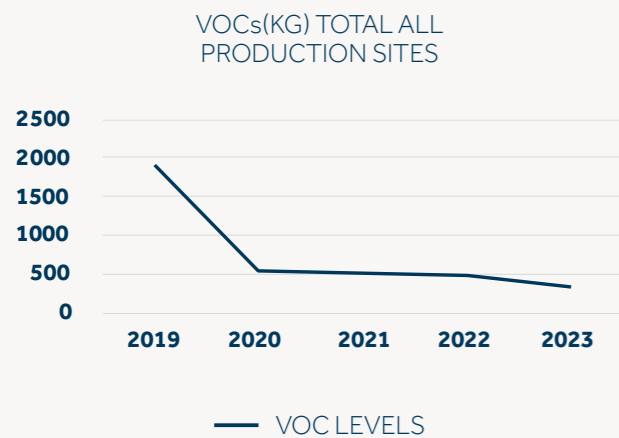
and monitored by an external expert. Sanitation will continue until all soil is clean. Thereafter, continuous monitoring will take place.

- End of 2030: Implement the risk analysis procedure for a new machine or production line according to the approach followed in Hoogstraten at the other production sites.

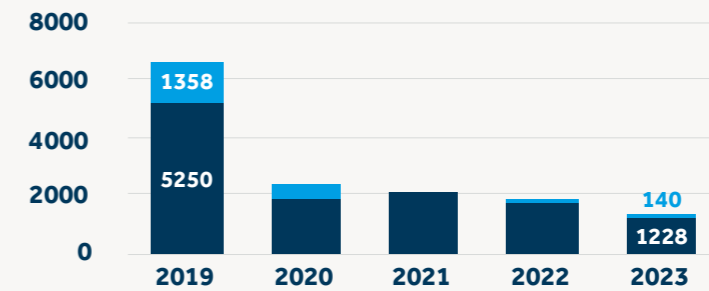
METRICS

VOCs emitted in our production processes have sharply declined since 2019, thanks to reduced processing of polystyrene products (see our target on phasing out polystyrene products under Responsible Use of Plastics in the Product section of this report). An overall decline of 81% has been achieved in 2023, compared with 2019.

In addition, NOx and SOx emissions have declined 34% compared with 2019, relative to production revenue, which means we are on track to reach



PS MATERIAL USED PER SITE (TONS)



■ POLYSTYRENE HOOGST RATEN ■ POLYSTYRENE PRACHINBURI ■ POLYSTYRENE LIMA

our 2025 goals. In 2023, we measured a slight increase compared to 2022, which will be further monitored. In absolute figures, NOx and SOx emissions in 2023 were still well below those of 2019.

NOx and SOx emissions are released when burning the heating oil needed to warm our buildings. As we investigate and install other options, such as electrical heating elements or waste recuperation heat, we expect our heating oil usage to decrease alongside emissions.

ACTIONS ON POLLUTION REDUCTION

Actions in 2023

Volatile organic compounds

As shown in the graph on page 126, our VOC emissions have declined significantly (81% compared to 2019), mainly due to a reduction in polystyrene processing. Linked to our Circular Economy and Responsible Use of Plastics objectives (see the Products section), we are actively phasing out polystyrene-based products. As a result, we are using less polystyrene in our production units and releasing fewer VOCs.

Operation Clean Sweep

As part of our mission to avoid plastic pollution caused during the production process, we made a commitment to Operation Clean Sweep (OCS) at our Hoogstraten site in 2023. OCS is a global initiative to eliminate plastic resin loss, such as plastic pellets, flakes, and powder, in operations and keep it out of the environment. We had already implemented some measures to reduce pellet loss. By adding gutter

sieves, conducting regular site cleaning, and raising awareness about the issue among our employees, we are contributing to OCS's "zero pellet loss" goal.

The principles of OCS are:

- Improve our worksite set-up to prevent and address spills
- Create and publish internal procedures to achieve "zero pellet loss"
- Provide employee training and accountability for spill prevention, containment, clean-up, and disposal.
- Audit our performance regularly
- Comply with all applicable local and national regulations governing pellet containment.
- Encourage our partners (contractors, transporters, etc.) to pursue the same objectives.
- Operation clean sweep logo and picture of new boards with cleaning gear

Air purification

In 2023, we established a new leasing contract with Zehnder Group Belgium NV to install and maintain a new air purification system in the paper board cutlery hall in Hoogstraten.

Cross-contamination safeguards

We produce either plastic, fiber-based or aluminum products, and never mix them. To eliminate any risk of cross-contamination, we installed magnets in some machines to remove metal from plastic pellets as a precaution. We also added sieves in certain machines to prevent pollution in our manufactured products.

Oil leakage in Hoogstraten

In 2012, we discovered an oil leak at the Hoogstraten site. Ever since, we have sealed the leak and are closely monitoring the respective machine and working to sanitize the contaminated ground with support from an external party. We will continue the sanitation process until the soil is remediated, then keep continuous monitoring in place.

Upcoming actions

- In 2024, we plan to commit to OCS and implement any recommended measures at our sites in Thailand and the US.
- We will implement spill control procedures in Lima.
- Continue soil remediation following the oil spill at our Hoogstraten plant in 2012. Remediation will continue until the soil is free of oil and approved by the authorities.

Prevention: Outreach to local communities

Beyond our own operations, deSter strives to help avoid the impact of plastic pollution in general. With this in mind, we reach out to the local communities near our production sites to collaborate on plastic pollution prevention. We mainly focus on awareness, education, waste collection actions and investing in preventive solutions. More information on our approach and actions can be found under Community Outreach in the People section of this report.

BIODIVERSITY

ESRS E4

OUR APPROACH AND ACTIONS

Biodiversity encompasses the vast array of life forms on our planet. The more diversity, the healthier and more secure our world will be. But over the past few decades, biodiversity has come under enormous pressure, posing risks for people, companies, and the environment. deSter hopes to contribute to the global "Nature positive by 2030" goal of halting or reversing biodiversity loss by 2030, with 2020 as the baseline.

The main pressures on biodiversity and ecosystems are climate change, pollution, land use change, freshwater use change, sea use change, direct exploitation of organisms and invasive alien species.

We have identified the following biodiversity themes as significant through our double materiality assessment (for more information on our double materiality assessment, see the Sustainability Approach section of this report):

- **Climate change**
- **Land use and land use change, both upstream and downstream**

On climate change, we have defined a clear approach, targets and actions for greenhouse gas reduction in our environmental policy. We also discuss the topic in the Greenhouse Gas Emissions section of this report.

Our impact on land use and land use change upstream directly links to the sourcing of paper, fibers and wood ma-

terials, which are risk items in terms of deforestation. Our global approach, targets and actions on this topic can be found under Responsible Resource Use of the Product section.

Our impact on land use and land use change downstream relates to the potential mismanagement of product waste. We share our preventive goals, targets and actions in our Product Circularity Strategy in the Product section.

None of our operational sites is located near a recognized biodiversity-sensitive area. In addition, none poses a significant impact or risk to local ecosystems. Therefore, we are not currently focusing on local biodiversity initiatives.

Biodiversity is a relatively new topic for many companies, and the science is developing quickly. To better understand the issue, deSter's Environmental Footprint Manager has participated in a series of inspirational sessions on biodiversity from 2022 to 2024 organized by The Shift Belgium and WWF. During these sessions, we have gained more knowledge and insights on how other businesses are approaching biodiversity.

Based on our double materiality assessment and the insights from the biodiversity sessions, we have altered our biodiversity approach compared to last year.

PRODUCT

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OUR **PRODUCT** GOALS



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

9 INDUSTRY INNOVATION AND INFRASTRUCTURE


12 RESPONSIBLE CONSUMPTION AND PRODUCTION


15 LIFE ON LAND


17 PARTNERSHIPS FOR THE GOALS


17 PARTNERSHIPS FOR THE GOALS


PRODUCT

ESRS E5

CHAMPION CIRCULAR ECONOMY AND USE RESOURCES RESPONSIBLY

Over the past several years, we have developed and launched an array of sustainable products that align with circular economy principles. As a key driver of our business, our environmentally friendly innovations have once again resulted in successful launches, detailed in the "Sustainable Products Highlights in 2023" section in the introduction.

In 2023, revenue from reusable and compostable food packaging as a percentage of our total food packaging revenue increased to 21% and 40%, respectively.

What's more, we continued to actively phase out single-use plastic last year and, as a

result, 2023 marked the first year that our revenue from compostable single-use items surpassed that from single-use plastic items.

We also conducted a double materiality assessment in 2023, which reaffirmed the importance of product circularity, sourcing materials responsibly and managing our products' impact on health and safety.

In this section, we are sharing more details on our approach, actions, and progress in 2023.

ESG RESULTS 2023

PRODUCT

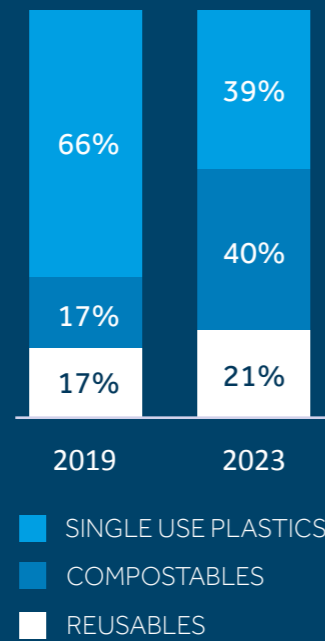
Make all our products reusable, recyclable or compostable and use responsible resources

PRODUCT CIRCULARITY

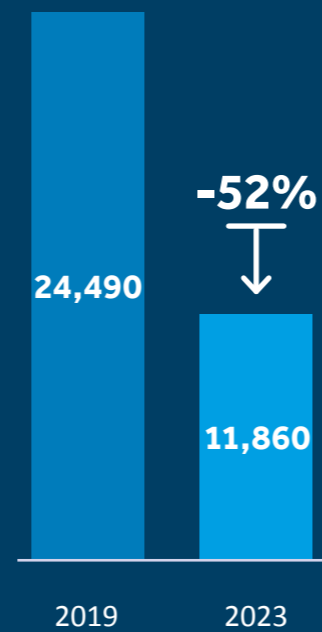
61%

SUSTAINABLE PACKAGING PRODUCTS VS TOTAL PACKAGING REVENUE

INCREASE IN REUSABLE AND COMPOSTABLE FOOD PACKAGING
(% Revenue)



52% REDUCTION IN SINGLE-USE PLASTICS
By weight sold since 2019 (tons)



5 airlines from 3 continents in a closed-loop recycling program
Foodservice market compliant for closed-loop recycling of reusables



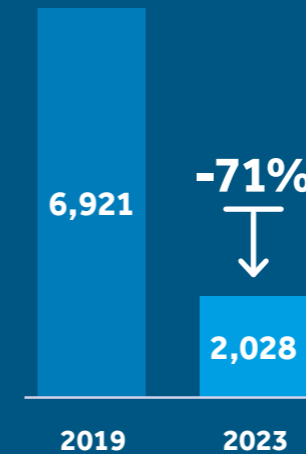
REUSABLES
Launch of RFID technology in reusable cups enabling automatic deposit refund



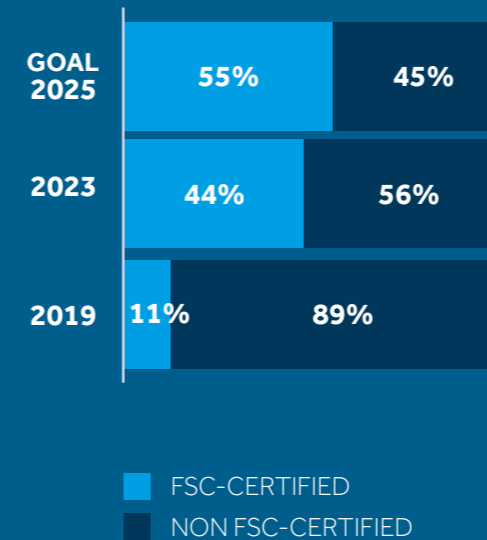
PRODUCT CARBON FOOTPRINT TOOL
First version 2023; Official launch in 2024

RESPONSIBLE RESOURCE USE

71% REDUCTION OF PS SINCE 2019 (tons)



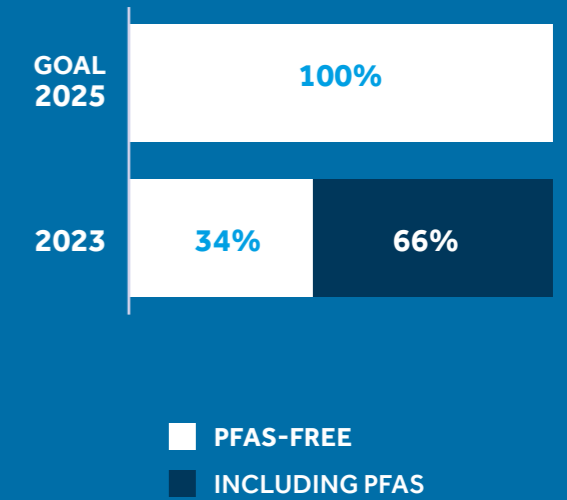
44% FSC-CERTIFIED FOOD CONTACT PRODUCTS OF VIRGIN FIBER



28% OF FIBERS FOR FOOD CONTACT PRODUCTS COME FROM WASTE STREAMS.
(COMPARED TO 5% IN 2019)

CONSUMER HEALTH AND SAFETY

% PFAS-FREE FIBER-BASED PRODUCTS
in development



ONLY 0.11 COMPLAINTS PER 1,000 PRODUCTION HOURS
Goal reached



GOAL 0.20

2023 0.11

2019 0.23

ESRS TOPICS RELATED TO PRODUCT

ESRS TOPIC

IMPACT, RISK, OPPORTUNITY

PRODUCT TOPIC

E2 POLLUTION

Substances of concern	Impact chemicals used in products (PFA, PS...) Risk and Opportunity to proactively phase out PFA and PS. Limits regulatory non-compliance and creates market offering	Consumer Health and Safety/Responsible Resource Use
Pollution of soil and water Waste Downstream	Pollution caused by mismanaged waste of our products	Product Circularity

E4 BIODIVERSITY AND ECOSYSTEMS

Biodiversity loss due to land use change Upstream	Impact on land use/deforestation by sourcing paper, fiber and wood	Responsible Resource Use
Biodiversity impact on ecosystems Downstream	Impact on ecosystems caused by mismanaged waste	Product Circularity

E5 RESOURCE USE & CIRCULAR ECONOMY

Resource Inflows	Impact raw materials needed for our products Risk availability and price	Responsible Resource Use
Resource Outflows	Impact circularity level our products Risk customer demand circular products. Opportunity new business models	Product Circularity
Waste Downstream	Impact waste generated by our products	Product Circularity

S4 CONSUMER AND END-USERS

Consumer Health and Safety	Food packaging physical and chemical safety is a critical factor in our business	Consumer Health and Safety
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SUSTAINABLE PRODUCTS

ESRS E5-1

POLICIES

Our Global Environmental Policy outlines specific approaches and targets in relation to the sustainability of our products. This policy is reviewed annually with internal stakeholders, endorsed by our leadership team and accessible to the public on our website. Throughout the year, we offer several specialized trainings and updates internally on product sustainability. In addition, we frequently share our strategy and approach with our customers in both the travel and foodservice markets. For more information on training and awareness, please refer to the Planet section.

As a result of our double materiality analysis and ESG strategy, we have identified and incorporated the key

topics related to product sustainability into our policies.

Product circularity

Our sustainable design strategy minimizes our products' environmental impact when in use, and our circular principles manage their end-of-life impact.

Responsible resource use

We source plastic and fiber responsibly to limit our products' contribution to biodiversity loss and climate change.

Consumer health and safety

We manage the potential physical and chemical risks related to the use of our products.



Mcdo Sundae cup

PRODUCT COMPLIANCE

Existing and emerging regulations, particularly those concerning the sustainability and safety of food packaging products, have a major impact on our sustainability strategy and overall business. It is crucial that we closely monitor these regulations to take actionable steps and keep our customers informed.

We monitor regulations especially in three areas:

- Packaging regulations where we operate, especially the European Packaging & Packaging Waste Regulation ("EU PPWR") & Eco-Design for Sustainable Products Regulation ("ESPR")
- Plastic Taxes
- Recycled Plastics, Microplastics and PFAS (per- and polyfluoroalkyl substances)

We actively engaged with European institutions to discuss the EU PPWR and its implications for aviation. In particular, we shared insights on the challenges and opportunities for onboard catering services to reduce packaging waste. A pragmatic approach has since been successfully integrated into recent updates to the EU PPWR.

In response to existing and emerging regulations, including those related to plastic taxes, recycling content, microplastics restrictions and PFAS, we have launched several initiatives. For example, our product compliance team has developed a detailed informational document to share with our customers, outlining the background, market trends and restrictions on the use of PFAS.

PRODUCT METRICS

The data presented here is currently based solely on our Direct Product Sales (DPS). The Equipment Management Service (EMS) product data has not yet been fully integrated following the SPIRIANT merger and was unavailable at the time of writing this report.



Based on the circular economy principles of the Ellen MacArthur Foundation and the worldwide waste hierarchy www3.weforum.org/docs/WEF_NEWPLASTICSECONOMY_2017.pdf

PRODUCT CIRCULARITY

OUR CIRCULAR ECONOMY APPROACH

We strive to limit the environmental impact of our products, particularly at the end-of-life stage. Our Product Circularity approach encompasses everything we sell, with careful attention to our food packaging and serving concepts. These categories represent the bulk of our product portfolio and have the most significant impact.

Our Product Circularity Vision follows the New Plastics Economy movement (launched in 2016 by the Ellen MacArthur Foundation), the waste hierarchy framework, and various European Union initiatives (e.g. the Single-Use Plastics Directive (SUPD) and the Packaging and Packaging Waste Regulation (PPWR). This vision promotes a shift from a linear to a circular economy, aiming to prevent product waste from the start.

We focus on three pillars to achieve zero waste, as outlined in our butterfly strategy:

- 1. Eliminate and reduce.**
In collaboration with our clients, we assess the necessity of each product and identify opportunities to reduce or eliminate items when possible. We also strive to minimize the number of materials used in our products.
- 2. Reusable items for closed-loop recycling.**
We prioritize replacing single-use items with reusable products suitable for closed-loop recycling schemes. By developing reusable products, preferably made from recycled or renewable materials, and reusable systems, we support the development of innovative waste-management solutions to avoid creating waste in the first place.
- 3. Free of single-use plastics.**
When reusable items are not yet fit for purpose, we aim to use

products that are free of single-use plastics and suitable for organic composting and recycling. Ideally, they will be made of recycled or renewable materials. Through recycling, materials can be recovered and reused. Meanwhile, organic composting enables resources to return to the soil as nutrients for new growth. Our focus is on home compostability, and we take care to avoid industrial composting or using industrial compostable materials.

Single-use plastic packaging.
The introduction of new single-use plastic packaging is permitted only if all of the following conditions are met: reusable options are not yet suitable; the packaging ensures prolonged food preservation; it is composed of recyclable materials; and we have been guaranteed it will not end up in nature.

SUSTAINABLE PRODUCT DESIGN

Environmental impact from use of our products

We consider the potential environmental strain of our products and strive to minimize their impact. Most of our products are designed in-house, and we follow the latest technological developments to ensure they are safe, functional, durable, and ergonomically designed. Our products are crafted to reduce weight and space, and to simplify, streamline, and accelerate work processes.

Our approach to sustainable product design:

- We aim to strike a perfect balance between **functionality and weight**. By designing lighter products, we reduce material usage and cut emissions during transport. It also enables us to enhance the end-consumer experience with high-quality, functional, and long-lasting products.
- For our reusable items, we prioritize **durability** by optimizing their design and selecting the most suitable materials to ensure each item can be used to its fullest potential. We also analyze each product's lifecycle, identifying opportunities for improvement wherever possible.
- We optimize the **stacking height** of our products to reduce the need for secondary packaging and minimize transport volume.
- **Harmful substances** are not released into the environment or consumed by the end-user while our products are in use. We ensure compliance with all statutory safety requirements under European or national laws (for more detailed information on the health and safety standards of our products, please refer to the Consumer Health and Safety section of this report and our Global Environmental Policy).



Collect cup

Designed to replace single-use cups on board, this new reusable cup has been optimized for weight, materials and stacking height. It's also accompanied by a newly developed cupholder and spill drawer.

These guiding principles have been anchored in our product development strategy for many years. As a guarantee, we collaborate closely with all stakeholders, including caterers, crews, restaurant owners, product experts, engineers, and our manufacturing and supply chain teams. Our cooperative approach ensures that our designs have been optimized down to the finest detail before entering production.

OUR CIRCULAR ECONOMY TARGETS

- **Since 2020**, we have exclusively introduced products that are either reusable, compostable, or recyclable.
- **End of 2025:** All of our products will be either reusable or compostable, and recyclable. We are actively phasing out unnecessary single-use plastic products by eliminating or replacing them with reusable or compostable alternatives.
- We will phase out all products made of polystyrene (PS).

- **End of 2030:** We are aiming for 100% of our products to be zero waste. Each product we sell will have a guaranteed circular end-of-life scenario.

ACTION AND NUMBERS ON PRODUCT CIRCULARITY

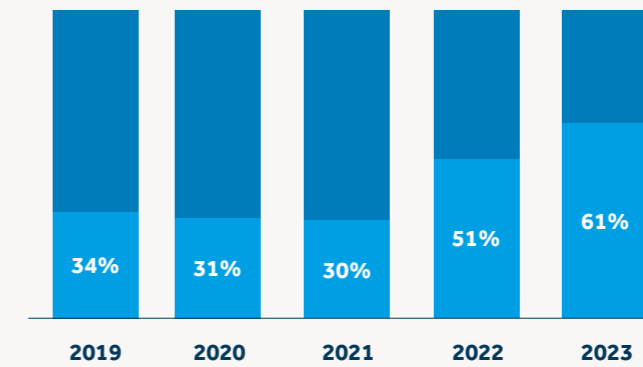
Reusable and compostable products

In 2023, revenue from sustainable products increased to 61% of our total revenue. Furthermore, compared to 2022, we have seen a steady growth in sales of reusable products (from 15% to 21%) and compostable products (from 36% to 40%). Concurrently, revenue from single-use plastics decreased from 49% to 39%. This reduction is reflected not only in revenue, but also in an actual weight decrease of 22% compared to the previous year.

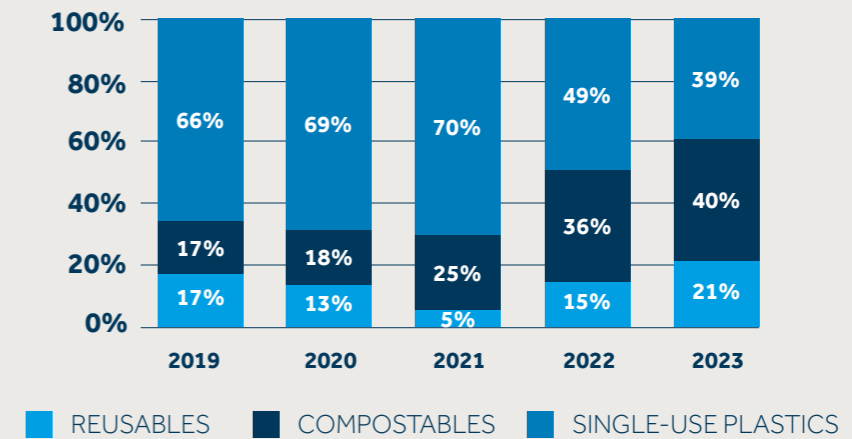
Notably in 2023, it was also the first year that revenue from compostable single-use packaging surpassed that from plastics. What's more, the percentage of food packaging revenue from reusables reached 21%, surpassing 2019 levels for the first time. The COVID-19 pandemic had previously led to a decline in reusables in 2020 and 2021, specifically in our travel market, due to concerns about potential risks of virus contamination, which temporarily increased preferences for single-use items.



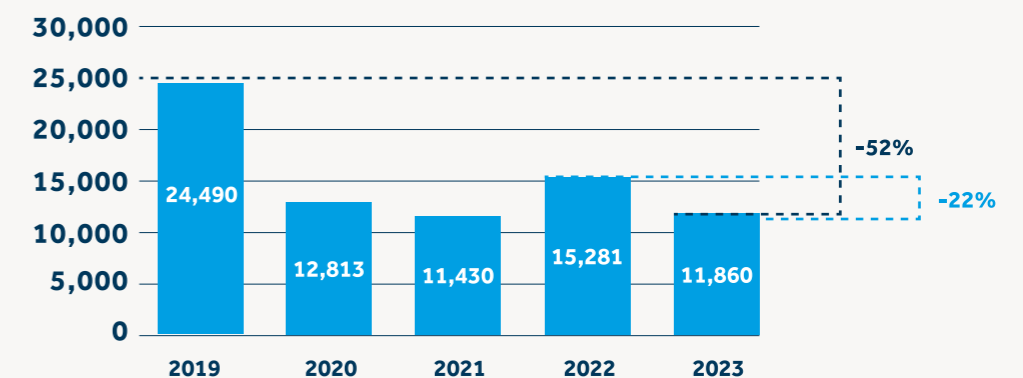
% SUSTAINABLE PACKAGING REVENUE COMPARED TO TOTAL FOOD PACKAGING

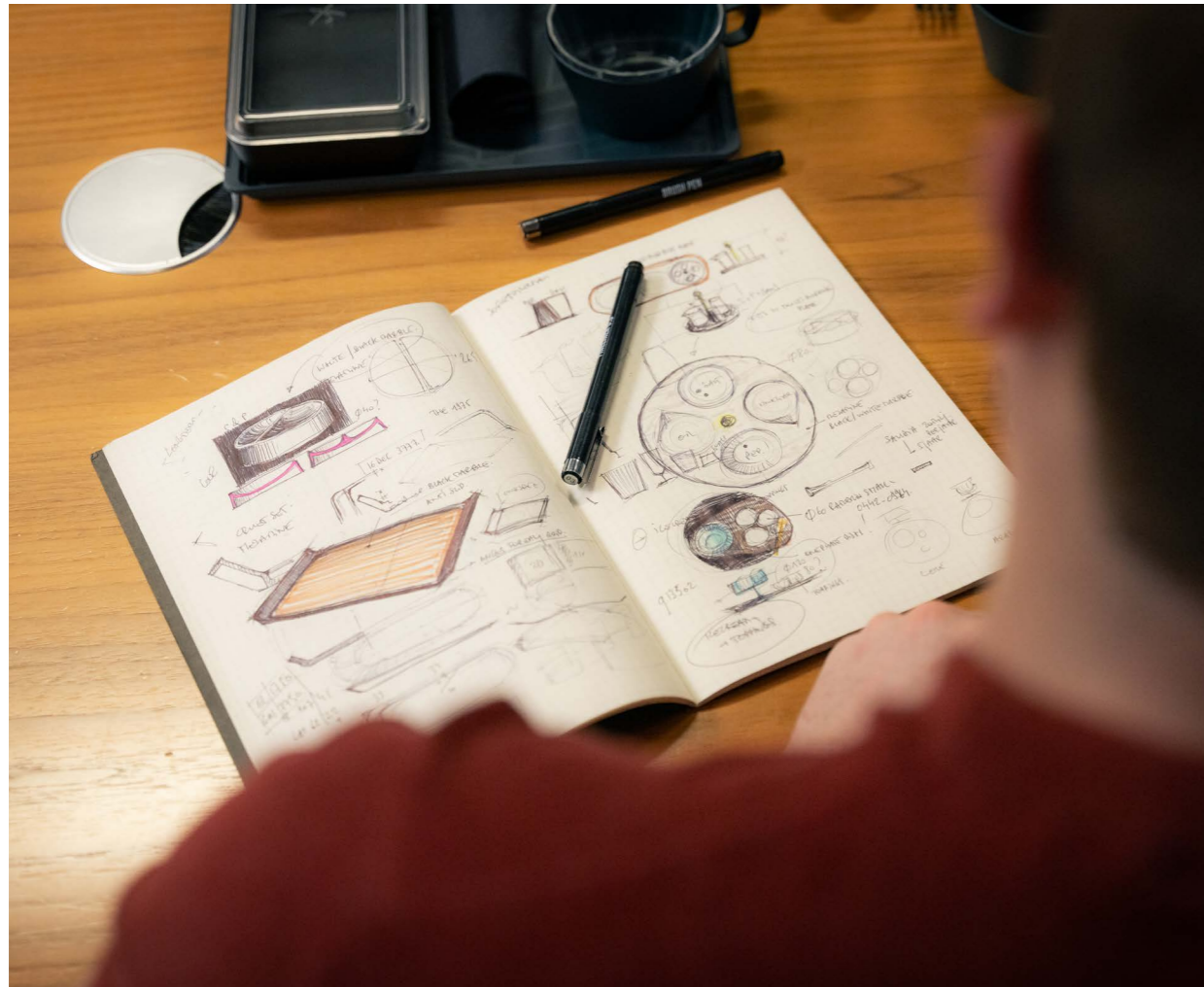


% FOOD PACKAGING REVENUE REUSABLES AND COMPOSTABLES VS SINGLE-USE PLASTICS



WEIGHT OF SINGLE-USE PLASTICS (TONS)





Product carbon footprint calculations

In the last two years, we have increasingly offered to make customized carbon footprint calculations for our clients, enabling them to compare our sustainable product options and make informed choices. In response to growing demand for these calculations, we began developing a comprehensive product carbon footprint calculation tool in 2023. This tool, developed in accordance with the Greenhouse Gas Protocol standards, is based on internationally recognized emission factors and will be externally audited.

Scheduled to launch in the second quarter of 2024, this tool will enable us to quickly and accurately perform carbon footprint calculations for our customers. It will also support our internal teams when making data-driven decisions to lower our Scope 3 emissions. Around 74% of our Scope 3 emissions

are caused by product materials and end-of-life processing.

More information on Scope 3 and our carbon footprint tool can be found in the Planet section of this report.

Closed-loop recycling

In 2021, deSter became the first company in the travel industry to receive EFSA (European Food Safety Authority) approval for its closed-loop recycling process, a requirement under Commission Regulation (EC) No 282/2008. At the end of 2022, this regulation was superseded by Commission Regulation 2022/1616, which recognizes closed-loop recycling as a viable technology under certain conditions.

deSter's closed-loop recycling model is fully compliant with the new regulation, enabling us to expand our food approved closed-loop recycling capabilities from travel to foodservice. To

ensure full compliance, deSter completed its registration with the EU Commission, FPS Public Health, Food Chain Safety and Environment, and Federal Agency for the Safety of the Food Chain (FASFC) in 2023.

After initiating our closed-loop recycling program at our manufacturing location in Belgium, we expanded our plans to include our facility in Thailand. Currently, we have partnered with five airlines (KLM, Cathay Pacific, Etihad, Emirates, and TAP Portugal) in our closed-loop recycling program. To evaluate its effectiveness for other customers, we developed an internal assessment tool in 2023.

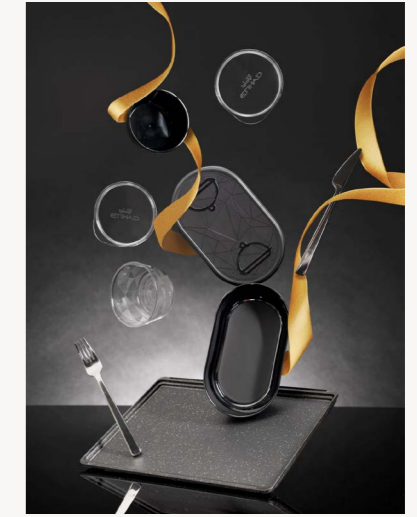
Closed-loop recycling projects



KLM
Closed-loop recycling of reusable trays in Economy class and reusable service ware in Premium Economy class
Belgium



Cathay Pacific
Closed-loop recycling of previous Economy class reusable trays into new reusable service ware items
Thailand



Etihad
Closed-loop recycling of new reusable Economy class set-up
UAE



Emirates
Closed-loop recycling of reusable Economy class set-up and Premium Economy and Business Class tray
UAE



TAP Portugal
Closed-loop recycling of new Economy class reusable service ware
Belgium



Karliën Meulemans
Design

Championing the circular economy

(Promotion of circular economy principles)

It is essential to go beyond design and development to bring circular products to the market. We must also collaborate with our diverse stakeholders and consistently advocate for circular principles. We achieve this in the following ways:

With our customers

- We conduct intensive sustainability workshops with our clients.
- We avoid offering single-use plastic packaging whenever possible, instead developing and providing suitable compostable and reusable alternatives.
- We offer reusable products supported by sophisticated systems and technologies. For example, we have incorporated RFID technology into reusable cups for the Royal Antwerp Football Club to facilitate a deposit refund system. Similarly, we created reusable tableware embedded with RFID chips for McDonald's France.
- We collaborate closely with our customers and related stakeholders, such as catering and washing facilities, to establish standard operating procedures (SOPs) that streamline washing, collection, transport, and recycling processes.
- We keep our customers informed about upcoming packaging and waste legislations and support them in finding suitable alternatives.
- Our products are labeled with the corresponding recycling and composting codes to help end-users dispose of them properly.

With our market

deSter is frequently invited to share our expertise in sustainable packaging at various industry events. In 2023, some of our notable activities included:

Foodservice Alliance and Food Safety Congress

We delivered keynote presentations on sustainable packaging at the Foodservice Alliance event in Brussels and the Food Safety Congress in Utrecht, offering practical advice to foodservice companies on implementing reusable, compostable and recyclable packaging solutions.



Green Deal Anders Verpakt

As a signatory of the Green Deal Anders Verpakt Flanders, deSter was invited to give a keynote presentation at an event organized by OVAM. During the session, we inspired other Green Deal members, including sustainability managers from retailers, food companies, restaurant chains, and more, by sharing actionable insights on implementing reusable, compostable and recyclable packaging solutions.

Packathon

In 2023, preparations were made to host our own Packathon in 2024 (refer to the People and Community Outreach section for more details), where we invited students, creatives and colleagues to submit innovative ideas for reusable packaging solutions.



Airline Transport Association (IATA) report

deSter contributed to IATA's "Reassessing single-use plastic products in the airline sector", a report on the opportunities and challenges of replacing single-use plastic, released in April 2024.

University of Antwerp

Xplore Design Week is a radical design event organized by the Department of Product Development at the university's Faculty of Design Sciences. During this event, deSter delivered a PechaKucha 20x20 presentation (a visual format, where speakers share 20 slides for 20 seconds each) on circular packaging design principles for master's students in product development.

Upcoming actions

We are committed to further developing and implementing reusable and compostable products, including conducting trials with our customers. Specifically, one of our targets for 2024 and 2025 is to introduce reusable drinking cups for airlines. Additionally, we plan to implement two additional production lines for cardboard cutlery in 2024, which will triple our current capacity.



Reusable cold cup

RESPONSIBLE RESOURCE USE

ESRS E5-4 RESPONSIBLE RESOURCES

OUR APPROACH

We source our materials after carefully considering their potential impact on biodiversity, the climate and society.

- We strive to limit the use of new resources (see our Product Circularity and Sustainable Product Design sections).
- We aim to minimize material waste during production (see more in Planet Waste Management).
- Our materials are either recyclable or compostable, aligning with our zero waste circular economy commitments.
- Where possible, we opt for recycled materials and those derived from renewable resources with a traceable supply chain verified by a third-party system, such as the Forest Stewardship Council (FSC) and ISCC PLUS, among others.
- We strictly avoid the illegal extraction of resources, such as illegal forestry.
- We evaluate the associated greenhouse gas emissions in our decision-making process.
- We also consider the transport distance between the source of raw materials and our factories.
- We ensure all materials comply with statutory environmental and safety requirements under European or national laws.
- We commit to ethically produced goods, as outlined in our robust sustainable procurement process. This includes assessing and auditing our suppliers on social and environmental aspects, as well as adhering to the UN guiding principles and the fundamental principles of the International Labour Organization (ILO).

We have set specific targets for our most frequently used materials:

- **Plastics:** used in recyclable and reusable packaging
- **Fiber:** used for cardboard, paper and fiber-based packaging

We will elaborate on these targets in following chapters.

Beyond food packaging and service items for the travel and foodservice industries, we also strive to use recyclable or compostable materials when crafting our specialized selection of inflight comfort items, such as pillows, blankets or amenity kits. While these items are smaller in revenue, they are an essential part of our product portfolio.

In recent years, we have strengthened our commitment to sustainability. Over the next few years, we plan to further integrate our approaches, targets, metrics and actions into deSter's ESG strategy. An initial approach was defined in 2023, which will be discussed in more detail in this section.

USING PLASTICS RESPONSIBLY

Our approach

- We strive to use materials with the lowest possible CO₂ impact across their lifecycles, which includes creation, transport, production, use, and end-of-life processes.
- Materials should align with our Product Circularity goals (shared earlier in this section) and be either recyclable or organically compostable.
- We prioritize the use of recycled materials where possible.

- We aim to decouple plastics from oil. As such, we use responsibly sourced renewable resources when financially viable and when environmental benefits outweigh those of fossil fuel-based counterparts.
- While phasing out single-use plastics, we are also in the process of eliminating PS materials due to their inefficient recycling options and emissions of volatile organic compounds (VOCs).
- We ensure compliance with applicable rules and regulations (e.g. EU SUPD, PPWR, and other environmental and safety standards).

Our targets on plastic resources:

End of 2024:

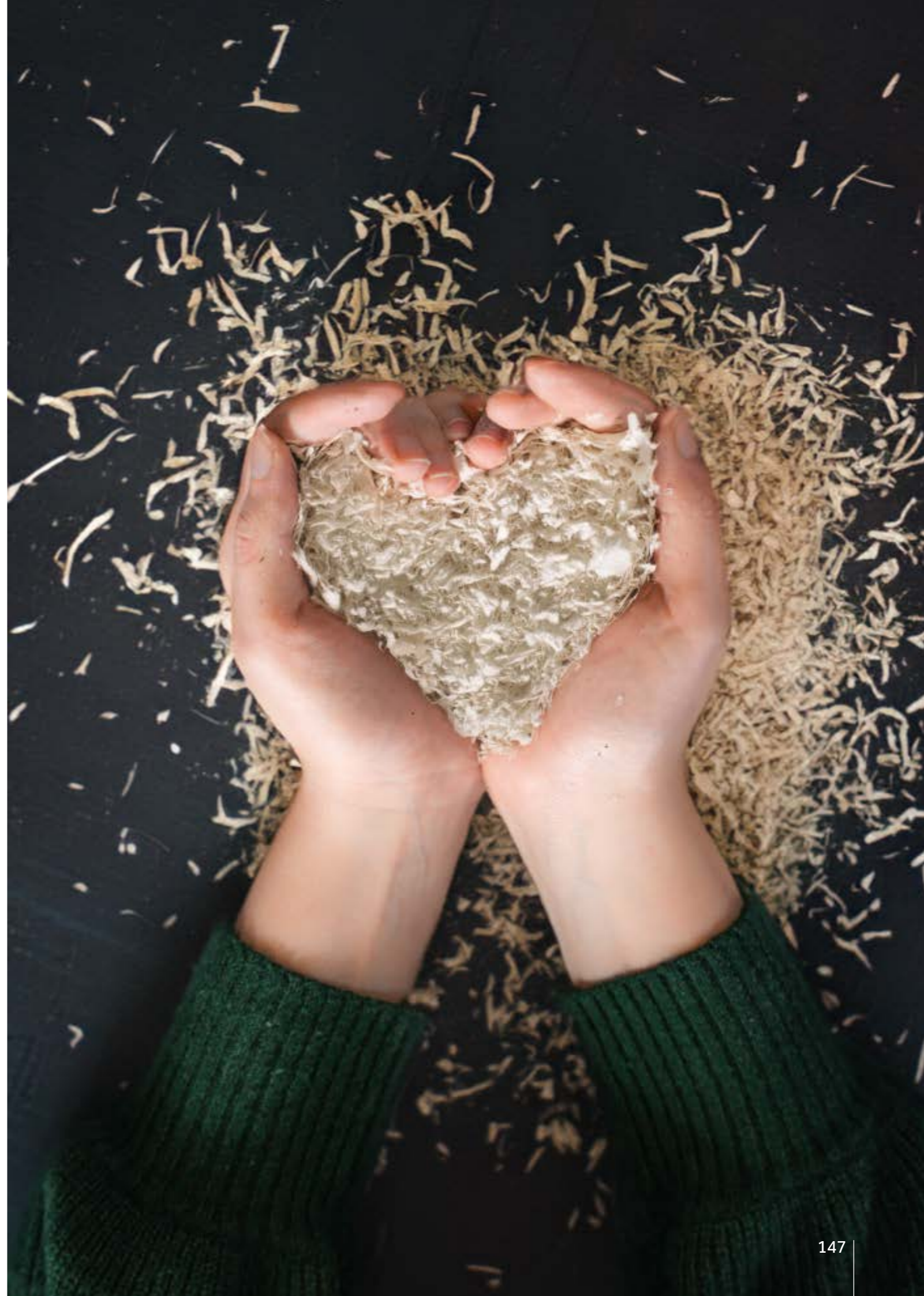
- Achieve ISCC PLUS certification at our Hoogstraten production site for renewable and recycled plastics, enabling us to offer these options to our customers.

End of 2025:

- Achieve ISCC PLUS certification at our Prachinburi production site for renewable and recycled plastics.
- Complete phasing out products made from Ps

End of 2026:

- Achieve ISCC PLUS certification at our Lima production site for renewable and recycled plastics.



Actions and numbers on responsible plastic use

Recycled plastics

Currently, only recycled PET (rPET) and materials from our closed-loop recycling process are approved to be used as recycled plastics in our food contact products. We assess our performance by comparing the total amount of recycled plastics (rPET) with the total combined amount of PET and rPET used, in line with our strategy to use recycled materials where possible. At the moment, our closed-loop recycling program generates a low quantity of recycled materials, which we have not yet quantified.

In 2023, rPET accounted for 22% of the total PET materials used, marking a decrease from 2019 (27%). As we transition away from single-use plastics, which use both rPET and PET, to compostable or reusable alternatives, there has been an overall decline in the quantity of both of these materials.

Renewable plastics

In 2023, the portion of plastics sourced from renewable resources compared to the total amount of plastics was low (accounting for 0.3% of the total plastics used), primarily due to the higher cost. Nonetheless, transitioning to renewable sources will be critical as we

move away from fossil fuel-based materials and reduce carbon emissions. In 2023, we laid the foundation to become an ISCC PLUS-certified company by 2024. The ISCC PLUS certification is a widely recognized standard for recycled and bio-based materials, providing traceability throughout the supply chain and ensuring compliance with environmental and social standards.

Polystyrene materials

In line with our commitment to phase out polystyrene by the end of 2025, we further reduced our use of polystyrene products in 2023 compared to the previous year. Since 2019, we have decreased PS usage by 71%.

USING FIBER AND PAPER RESPONSIBLY

Our approach

Sourcing paper, fiber, wood and cardboard carries the risk of deforestation, leading to land use changes and adverse effects on the climate and biodiversity (more info can be found in the Biodiversity section in our Double Materiality analysis).

Our approach to responsible fiber and paper use simultaneously mitigates potential upstream impact on biodiversity. To enhance our sustainable sourcing practices for paper, fiber, wood and

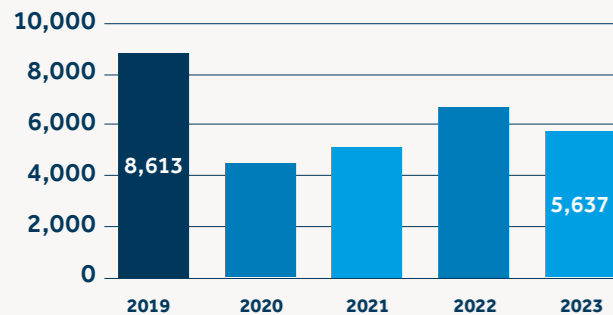
cardboard, we employ the following approach:

- We use recycled fibers as the standard practice and switch to higher quality virgin fibers only when necessary. Given that recycled paper is suitable only for non-food contact products (such as cartons, drawers, tray mats and napkins) and not for our food contact products (such as bowls, plates, casseroles, cutlery, and lids) we have set separate sustainability goals for each category.
- **For food contact products requiring virgin fiber:**
 - Where possible, our preferred solution is to use new fibers derived from by-products or waste streams (e.g., bagasse). Since some products cannot be made from waste fibers, we have not set a specific target; however, our goal is to increase the use of waste fiber materials over time.
 - Secondly, we aim to offer FSC-certified virgin fibers to ensure it has been harvested according to the highest standards from responsibly managed forests with careful consideration for biodiversity.
 - If FSC-certified materials are not possible, we aim to source virgin fibers within the EU, where the European Timber Regula-

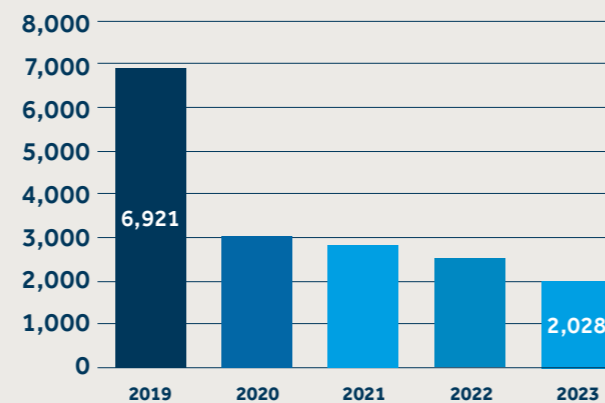


Ikon trays

TOTAL WEIGHT OF PET AND RPET (TONS)



REDUCTION OF PS -71% COMPARED TO 2019 (TONS)



tion (EUTR) safeguards against illegal forestry. When sourcing fibers outside the EU, we actively collaborate with our suppliers to ensure EUTR compliance or seek suppliers who already meet this standard. In situations where EUTR compliance is not yet achieved, we require assurances against illegal forestry.

- The forthcoming European Deforestation Regulation (EUDR) will supersede the EUTR and mandate compliance. deSter will meet these new standards by implementing procedures to map and assess its supply chain for deforestation risks. We will ensure traceability and documentation through engagement with suppliers to adhere to EUDR standards, contributing to the Due Diligence Registry.

We will re-evaluate our approach annually to keep pace with rapid advancements of fiber technologies. Additionally, in line with our Scope 3 goals, we are increasingly factoring in

CO₂ footprints into our fiber material sourcing decisions. Our targets for sustainable sourcing of paper, fiber, and cardboard:

End of 2024:

- Achieve full transparency and traceability on the sourcing and types of current boards and fibers according to the EUDR requirements.
- Continue offering materials from FSC-certified forests and identifying products that can be proactively switched to FSC-certified sourced materials.

End of 2025:

- Food contact products: Increase the proportion of FSC-certified sourced materials used in our fiber-based items to 55%.
- Non-food contact products: Increase the proportion of recycled materials in our fiber-based items to 40%. Additionally, increase

the use of FSC-certified sourced materials to 25%, where recycled materials are not possible.

End of 2026:

- Food contact products: Increase the proportion of FSC-certified sourced materials used in our fiber-based items to 65%.
- Non-food contact products: Increase the use of recycled materials used in fiber-based items to 50%. Additionally, increase the use of FSC-certified sourced materials to 30%, where recycled materials are not possible.



Actions and numbers on responsible fiber and paper use

Fiber-based food contact products

The top left graph (sourced fiber material for food contact products) shows that we have increased the use of materials derived from industry waste and by-products, such as bagasse, within our total fiber mix for food contact products. This initiative has enabled us to increasingly employ fibers recovered from waste and reduce our reliance on virgin fibers. With regards to materials sourced from FSC-certified forests, 2023 shows a slight improvement compared to the previous year (see graph top right).

Fiber-based non-food contact items

For non-food contact items (see graph bottom left), recycled paper is preferred over virgin fiber; however, fibers sourced from waste streams are not suitable. Our use of recycled paper decreased from 30% in 2022 to 22% in 2023. Further action is needed to reach our target of using 40% recycled fiber by 2025. In addition, further action is needed to

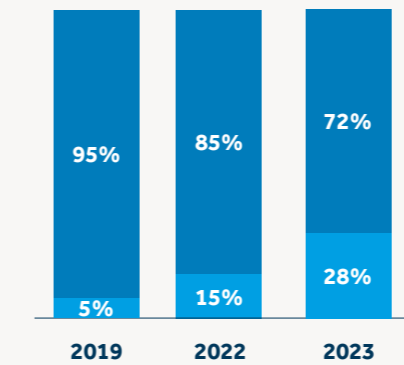
meet our 2025 target for the use of FSC-certified virgin fibers for non-food contact products, as we are also seeing a decline there.

USING RESPONSIBLE MATERIALS IN OUR COMFORT ITEMS

Our strategy for comfort items also focuses on minimizing the environmental impact of our products through thoughtful material choices and design. When it comes to amenity bags, we exclusively use recycled or biodegradable fabrics, such as rPET, nylon, hemp, bamboo, and organic cotton - all designed to be multi-functional and reusable.

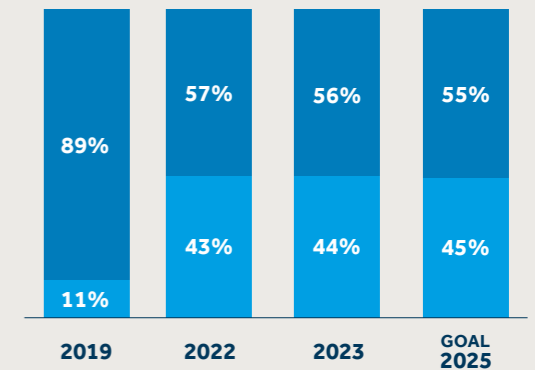
The contents of the kits, such as toothbrushes, eyemasks, socks, combs, razors, and mini skincare tubes, are made from sustainable materials including wheat straw, bamboo, and rPET, thereby eliminating the use of virgin plastics. Additionally, we make all our paper packaging from recycled paper or virgin paper from FSC-certified forests, ensuring our packaging is as environmentally conscious as our products.

FOOD CONTACT PRODUCTS: FIBERS FROM WASTE STREAMS



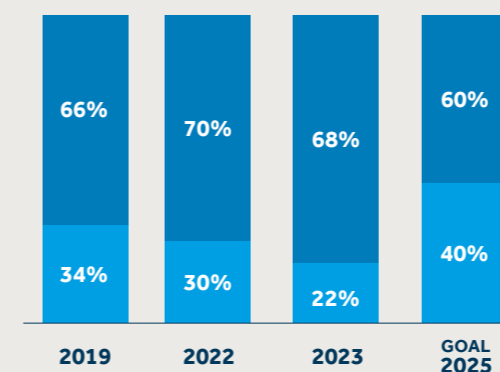
■ VIRGIN FIBERS
■ FIBERS FROM WASTE STREAMS

FOOD CONTACT PRODUCTS: VIRGIN FIBERS FSC-CERTIFIED



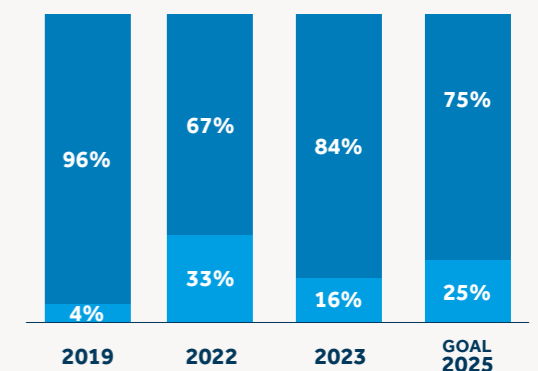
■ NON-FSC-CERTIFIED
■ FSC-CERTIFIED

NON-FOOD CONTACT PRODUCTS: RECYLED FIBER



■ VIRGIN
■ RECYCLED

NON-FOOD CONTACT PRODUCTS: VIRGIN FIBERS FSC-CERTIFIED



■ NON-FSC-CERTIFIED
■ FSC-CERTIFIED

CONSUMER HEALTH & SAFETY

ESRS 4 CONSUMERS AND END-USERS

Our approach

Given that our products are primarily food contact items used by consumers, safety is paramount. With packaging, safety aspects include mitigating physical hazards and the presence of chemicals. We maintain robust processes for product design, material selection, manufacturing and distribution to minimize safety risks.

Our goal is to actively ensure the safety of our consumers, our personnel, and the public. This commitment starts with compliance with all statutory requirements, accurate product labeling, maintaining operational safety standards, and ensuring product traceability in case of potential issues. Detailed information is available in our Consumer Health and Safety policy, which is part of our Global Environmental Policy on our website.

An important part of our consumer health and safety approach is phasing out PFAS. We currently use these chemicals in some of our fiber-based packaging, particularly wet-molded fiber items, owing to their excellent moisture-, grease- and stain-resistant properties. However, PFAS do not occur

naturally in the environment, do not degrade easily, and can pose health risks. Although the level of PFAS used in our products comply with EU legislation and REACH requirements, we recognize their potential environmental and health impacts, and are proactively working to phase them out.

Our targets for consumer health and safety:

- **Yearly:** Maintain a consumer complaint rate below 0.20 per 1,000 production hours.
- **By 2023:** Ensure all new ovenable fiber-based products are PFAS-free
- **End of 2025:** Ensure all fiber-based products are PFAS-free.

ACTIONS AND NUMBERS ON CONSUMER HEALTH AND SAFETY

Product quality

In 2023, our consumer complaint rate decreased further to 0.11 complaints

per 1,000 production hours, down from 0.13 the previous year. This rate is well below our target of 0.20 complaints per 1,000 production hours. With many new sustainable product introductions expected over the coming years, our target rate remains 0.20.

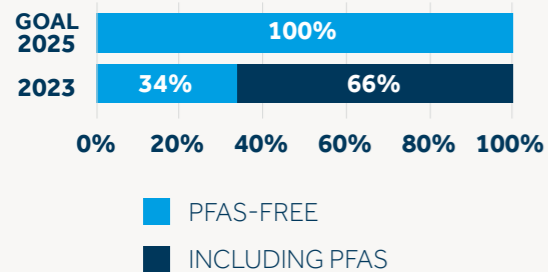
Elimination of PFAS

We strive to phase out all intentionally added PFAS for all fiber-based packaging by the end of 2025. Significant research and development activities are therefore conducted to identify suitable moisture- and grease-resistant alternatives. Currently, all in-house wet-moulded fiber production is PFAS-free (contains no intentionally added PFAS) and we continue to work with our production partners to achieve the same standard. As a result, so far 34% of our fiber-based products are PFAS-free. Despite this progress, continued efforts will be critical in 2024, as we have yet to identify a suitable alternative for all user applications.

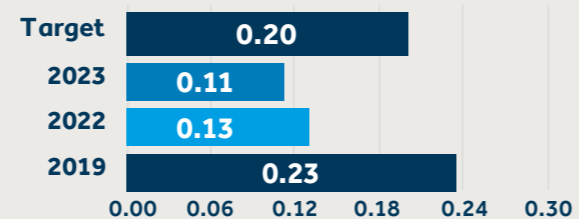


Inez Kristanti
Manager Office Support Design

% PFAS-FREE FIBER-BASED PRODUCTS



NUMBER OF COMPLAINTS PER 1000 PRODUCTION HOURS



"The greatest threat to our planet is the belief that someone else will save it."

CONCLUSION

In our second annual sustainability report, we are proud to showcase our dedication to environmental and social sustainability, which is embedded in the heart of our operations through our #PeoplePlanetProduct initiative.

This report highlights our most significant achievements in 2023, our ambitious targets, and our plan to make a meaningful difference. We hope it inspires our employees, customers, suppliers and other stakeholders to further embrace sustainable practices, too.

In addition to detailing our progress with data and examples, we have acknowledged ongoing challenges and our plans to address them as part of our commitment to accountability and continual progress. We strive to improve our #PeoplePlanetProduct performance whenever possible – and, in 2023, we had many opportunities to do just that.

People

Among our most notable People initiatives, we have enhanced employee well-being by launching the "Move to Happiness" platform and expanding Sport@deSter activities. Meanwhile, our first global employee survey provided valuable insights into our team's needs and preferences, guiding our efforts to create a "Great Place 2 Work." In relation to topics such as ethics and human rights, we offered training for employees, which in turn influenced our overall approach to ethical sensitivity and guidelines for expected behaviour.

On the supplier side, we have enhanced our sustainable procurement practices to ensure our partners' ESG values align with our own. We have also improved

our health and safety procedures, resulting in even fewer workplace accidents and incident rates well below industry standards.

In connection with our community outreach activities, we have expanded our social engagement at our various sites to include initiatives such as education on avoiding plastic pollution.

Planet

When it comes to Planet, we reported a major milestone in 2023: we achieved a 50% reduction in greenhouse gas emissions compared with 2019, our baseline year. We surpassed our 2025 target early thanks to a mix of emissions-cutting initiatives, such as shifting toward renewable materials, introducing more reusable products, and further localizing production. Other key achievements include a 29% reduction in operational waste since 2019 and the integration of biodiversity into our ESG targets.

Product

Our standout Product achievements range from introducing reusable and compostable product lines to manufacturing wet-molded fiber products in-house and expanding our paper board cutlery capabilities. We were also proud to report a 52% decrease in single-use plastics since 2019 and see our revenue from compostable items surpass single-use plastics. These initiatives not only comply with regulatory requirements, but also meet our customers' evolving preferences and reflect our dedication to the circular economy.

In an effort to use environmentally responsible sources, we have increased the proportion of FSC-approved virgin

fibers in packaging for food applications to 44%. Furthermore, deSter has achieved the ISCC PLUS certification, enabling us to offer plastics made from 100% renewable resources in the future.

Sustainability is a journey

We recognize that sustainability is an ongoing journey, and we will continue to monitor our progress. Looking ahead, we plan to build on the successes of 2023, as we pursue specific goals for the upcoming year. For example, we aim to achieve ISO 14001 certification for all manufacturing locations by 2025, starting with Belgium in 2024. We will continue to focus on employee well-being and development, while further reducing our GHG emissions and introducing more sustainable products – all of which are keys to our success.

We would like to extend our gratitude to our employees. Their daily dedication and contributions have made it possible to make progress in our company's sustainability goals and create a positive impact on the environment and society. We believe deSter's strategic focus on sustainability and continuous improvement in ESG practices will solidify our position as a market leader, driving innovation and setting new standards in the industry. Our way forward is clear: to lead with purpose, innovate sustainably, and create a lasting positive impact on people and the planet.

We continue to advocate to all our stakeholders:

"The greatest threat to our planet is the belief that someone else will save it"

ADDENDUM

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OUR GOALS AND KPIS

#PEOPLEPLANETPRODUCT GOALS AND KPIS

ADDITIONAL CSRD METRICS

ESRS QUALITATIVE CONTENT

The following pages summarise the progress we have made towards the targets and KPIs we have set. The first set of data shows the results related to our #PeoplePlanetProduct strategy, the second set are the additional ESRS disclosures that need to be reported on, as a result of our dual materiality

assessment, which were not yet covered by our #PeoplePlanetProduct KPIs, the third table contains the qualitative ESRS general disclosures and topical standards with reference to the pages where these disclosures can be found in this report.



ESG RESULTS 2023

PEOPLE

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

#PeoplePlanetProduct goals and KPIs

Initiative	Goal 2023	KPI 2023	Target 2023	Result 2023	Result 2022	CSRD metric	COMMENT
GREAT PLACE 2 WORK							
Employee retention	Decrease voluntary leave turnover by Great Place 2 Work initiatives	Voluntary leave turnover decrease compared to last year	8.4%	9%	17.9%		
Employee engagement	Set goal on eNPS and measure progress via employee satisfaction surveys and feedback	Achieve a baseline Employee Net promoter score through satisfaction survey	-	9.56	N/A		
Governance	Establish a policy management system to ensure yearly review of all policies	Percentage of policies that had a yearly review	100%	100%	100%		
	Conduct policy training for targeted employees to ensure understanding and compliance with regulations	Percentage of targeted employees trained on the Labor policies	60%	56%	46%		
Diversity, Equity and Inclusion	Increase the representation of women in leadership roles development and recruitment	Percentage of women in leadership team	30% by 2030	9%	9%	ESRS S1	
	Foster an inclusive and respectful workplace by diversity training for all employees	Percentage employees trained on diversity (including anti-discrimination and anti-harassment)	70%	76%	56%		
	Install gender pay-gap analysis and define action plan	Average unadjusted and adjusted gender pay gap	Gap closure 2033	39%	46%	ESRS S1	Actual gap analysis table available in separate file
Recruitment and on-boarding	Strengthen the deSter's talent pool and quality of hires, reduce recruitment costs, foster engagement	Percentage of new joiners from Bring a Friend Program compared/all new joiners	20%	12%	10%		
	Improve the on-boarding process to increase retention, productivity and organizational bonding	Percentage of satisfaction of on-boarding	70%	100%	N/A		
Working conditions	Ensure employees are paid a fair wage in accordance with applicable benchmarks	Create specific living wage policy	100%	100%	N/A		
		Percentage of internal employees covered by living wage benchmarking analysis	97%	100%	97%	ESRS S1	
		Percentage of internal employees paid below the applicable adequate wage benchmark	Gap closure 2033	19%	27.2%	ESRS S1	
Diversity, Equity and Inclusion	Ensure employees are paid a fair wage in accordance with applicable benchmarks	Percentage of average wage gap for own employees paid below living wage against a living wage benchmark	Gap closure 2033	6.9%	N/A		
Well-being	Improve Well-being physically, mentally and socially to enhance productivity and workforce engagement	Percentage absenteeism illness	Stay below 6%	4%	6%	ESRS S1	
		Rating on employee survey question: "deSter supports its employees" work and life balance	not below 4 to 5	4	N/A		
		Rating on employee survey question: "I can comfortably manage the amount of work assigned to me in the time provided."	not below 4 to 5	4	N/A		
Training	Increase the proportion of own workers participating career and skills training by 10%	Percentage of the total workforce across all locations who received career or skills-related training	70%	96%	61%	ESRS S1	
		Average number of training hours per employee (Soft skills/ Technical skills)	14 h	25 h	13 h	ESRS S1	
		Average expense on training per employee in CHF	26,243 CHF	61175 CHF	23,857 CHF	ESRS S1	
Performance Feedback	Maintain high participation on performance and career development reviews (PA&P)	Percentage of the total workforce across all locations who received regular performance and career development reviews (PA&P)	80%	100%	97%	ESRS S1	

ESG RESULTS 2023

PEOPLE

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

Initiative	Goal 2023	KPI 2023	Target 2023	Result 2023	Result 2022	CSRD metric	COMMENT
Caree Development	Increase number of internal replacements to promoting career growth and talent development	% of internal replacement compared to total vacancies	20%	17%	29		
	Establish individualized development plan for talents	% retention of the talents that where in the development plan	60%	100%	N/A		
	Establish succession plan for employees that will retire the coming 5 years	Percentage employees to retire on next 5 years with succession plan	60%	2%	N/A		
Social Dialogue	Install employee survey to gain employee feedback and baseline performance	% of employees responded to employee survey	At least 50%	79%	N/A		
HUMAN RIGHTS							
Human rights Ops	Solve identified actions resulting from the Human Rights Risk Assessment in operations	Formalize quantitative targets on labor and human rights issues in policy	100%	100%	N/A		
		% Progress on the Human Rights actions operations from risk assessment 2022	-	75%	new		Major actions solved, some minor actions will continue in 2024
	Ensure a 95% or higher closure rate for reports related to the whistle-blower procedure	Number of reports related to whistleblower procedure (Speak-up Line/Integrity Line)	-	0	5	ESRS S1	
		% Percentage of complaints filed through Integrity Line closed (or other channels for people in own workforce to raise concerns)	95%	100%	100%		
ETHICS							
Business Ethics	Foster a culture of human rights, ethics, compliance, and transparency within the organization	Install yearly reporting on ethics and human rights topics	100%	100%	N/A		
	Solve identified actions resulting from the Ethics Risk Assessment in supply chain	% Progress on the Ethics actions resulting from risk assessment 2022	-	60%	N/A		
	Foster a culture of human rights, ethics, compliance, and transparency within the organization	Percentage of functions-at-risk covered by Ethics training programmes	100%	96%	N/A	ESRS G1	(% Commercial employees trained on Anti corruption, anti-trust and competition law)
HEALTH & SAFETY							
Health & Safety	Install global plan 2023-2024 based on risk assessment, stakeholders feedback and progress of previous initiatives	Percentage of all operation sites for which an employee health and safety risk assessment has been conducted	100%	100%	N/A		
	Install Global consolidated reporting	Global consolidated H&S reporting place, not in place	100%	100%	N/A		
	Enhance workplace safety and reduce incidents by conducting comprehensive Health and Safety training	Average hours of training on Health and Safety topics per employee	-	13.5	6.7		
		Lost time injury frequency rate (LTIFR)		7.89	10.36	ESRS S1	
	Enhance workplace safety	Lost time injury severity rate (LTISR)		0.15	0.11	ESRS S1	
		Number of work-related accidents		14	16	ESRS S1	
		% accident reduction compared to 2022		-30% by 2030	12%	N/A	

ESG RESULTS 2023

PEOPLE

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

Initiative	Goal 2023	KPI 2023	Target 2023	Result 2023	Result 2022	CSRD metric	COMMENT	
SUSTAINABLE SUPPLY CHAIN								
Sustainable Procurement	Procurement policy with roadmap towards SSC 2025 including measureable targets	Sustainable Procurement policy with quantitative targets in place	100%	100%	N/A			
	Increase Knowledge and Understanding of Sustainable Procurement of the procurement team	% of procurement team trained on Human Rights and Carbon Emissions	-	100%	N/A			
	Code of Conduct (COC) signature for existing and new suppliers for traded goods and raw materials	% COC signature of targeted suppliers	95%	97%	90%			
	Code of Conduct (COC) signature for existing and new suppliers for traded goods and raw materials	Percentage of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements	95%	97%	90%			
	Manage Potential ESG Risks in the Supply Chain through supplier self-assessments and audits	Percentage of risky trading partners covered by a due diligence process on corruption or information security	95%	100%	100%			
	Embed sustainable procurement requirements into targeted suppliers contracts	Percentage of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements	95%	97%	90%			
	Manage Potential ESG Risks in the Supply Chain through supplier self-assessments and audits		Number of targeted suppliers that went through a ESG self-assessment Stage 1 (goal already achieved)	minium 41 our of 45 suppliers	NA	42		Goal already achieved last year. Supplier risk assessment every 2 years
			Number of targeted suppliers that went through a ESG on-site audit	22	22	5		
			Implementation of thresholds on supplier rating and improvements	100%	100%	5		
			Integrate ESG self assessment in supplier profile for new suppliers	100%	100%	N/A		
			Finetune current ESG audit (including test audit PRB and compare to standards (sedex, amorfi))	100%	60%	N/A		Environmental one done, social aspects in progress
	Supplier engagement to Improve our Environmental and Social Impact		% of targeted suppliers assessed with a corrective action plan (CAP)	80%	73%	N/A		
			% of E rated suppliers improved (within threshold) vs total E rated suppliers	-	14%	N/A		
% of D rated suppliers improved (within threshold) vs total D rated suppliers			-	0	N/A			
COMMUNITY OUTREACH								
Community Outreach	Engage with local communities or non-profit sector on social impact initiatives to reduce plastic pollution worldwide	Establish cooperation with the River-Clean up	100%	100%	N/A			
		Install a deStudio packathon event on preventive solutions to engage with out network	100%	100%	N/A			
PEOPLE GOVERNANCE								
Governance	Further embedment of ESG goals into all departments	Integration of ESG goals into manager goals	100%	100%	N/A		Integrated into the PA&P goal setting	
CERTIFICATION								
Certifications	Seek external endorsements that contribute to EcoVadis and our ESG goals related to labor and human rights, ethics, sustainable procurement and environment	SMETA 4P Sedex audit for all key locations (HGS, PRB, Lima and HKG, Germany)	100%	100%	20%		Self assessments and audits done for all manufacturing locations (Thailand, US and Belgium) For offices in Hongkong and Germany self-assessments were done (audits not recommended)	

ESG RESULTS 2023

PLANET

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



Initiative	Goal 2023	KPI 2023	Target 2023	Result 2023	Result 2022	CSRD metric	COMMENT
NET ZERO CARBON							
	Transparency on Scope 3 according to GHG protocol	Transparency on Scope 3 emissions	100%	100%	40%		
	External verification/audit on Scope 1,2,3	Improved audit on Scope 1 and 2 (include 2023)	100%	100%	100%		
		First audit on Scope 3	100%	100%	new		
Net Zero Carbon	Implement measures on reduction of energy use and carbon emissions	Percentage reduction CO ₂ e emissions Scope 1 and 2 compared to 2019	100% reduction by 2030	-44%	-35%		
		Percentage reduction CO ₂ e emissions Scope 3 compared to 2019	17% by 2023, 25% reduction by 2025, 75% by 2030, net-zero by 2050	-50%	-	ESRS E1-4	
		% total CO ₂ e emissions reduction compared to targets	25% reduction by 2025, 75% by 2030, net-zero by 2050	-50%	-	ESRS E1-4	
		Aspire to make GHG emissions report publicly available	100%	100%	100%		
	Internal and external communication on GHG emissions	Share the progress towards GHG emissions reduction target with internal stakeholders	100%	100%	100%		
		Development of Product Carbon Footprint analyses tool based on GHG protocol	100%	100%	N/A		
	Consider accounting for product level GHG data in accordance with GHG protocol or other GHG accounting standards	Intergrate product level GHG data accounting into Scope 3 reduction approach	100%	100%	N/A		
		Ensure SBTi and CDP reporting for submission in 2024	Identification and prepare gaps on SBTi and CDP reporting	100%	100%	100%	
WASTE AND POLLUTION							
Waste and pollution	Achieve targets on reduction of waste, water use, pollution, energy and chemicals	Progress on reduction targets per manufacturing location on track or not on track	100%	100%	N/A		
		Install Operation Clean Sweep in HGS and achieve certification	100%	50%	N/A		Commitment has been done. Actual certification will be re-evaluated after installation of ISO14001 certification.
BIODIVERSITY							
Biodiversity	Define biodiversity strategy and initiatives based on impact assessment	Biodiversity impact assessment to identify material topics and strategy	100%	100%	N/A		Ref double materiality
PLANET GOVERNANCE							
Training of workforce	Training of targeted employees on environmental topics	Training of blue collar workers approach	100%	50%	N/A		Approach and preparations done in 2023, Factory Hoogstraten Q1-Q2 2024, rest of locations will be done in 2024.
		Training of procurement team on GHG emissions	100%	100%	N/A		
Certifications	Achieve ISO 14001 verification for HGS in 2023 and other locations in 2024	ISO 14001 HGS in place	100%	50%	N/A		Preparations in progress, however actual audit for Hoogstraten, Belgium is planned for 2024.

ESG RESULTS 2023

PRODUCT

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

Initiative	Goal 2023	KPI 2023	Target 2023	Result 2023	Result 2022	CSRD metric	COMMENT
CIRCULARITY							
Circularity	By 2025 all products are either reusable, recyclable or compostable.	Percentage revenue sustainable products compared to total revenue	60%	60.0%	50.9%		
		Percentage revenue reusable, compostable and single-use plastic products	-	21%/40%/39%	17%/17%/66%		
		Reduction in weight of single-use plastics	-	52%	38%		
		Install PBI dashboard on circularity (and include equipment part into the data)	100%	100%	30%		
		Development of a calculation tool for closed loop recycling	100%	100%	N/A		
	By 2030, we aim that 100% of our products create zero waste	Install waste processing certification for HGS manufacturing for closed loop recycling	100%	100%	N/A		
		Number of closed loop projects	6	6	4		Currently we have 2 projects for KLM, 1 Etihad, 1 Emirates airlines, 1 Cathay Pacific, 1 TAP Portugal
Anticipation on upcoming regulations related to Single Use Packaging	Impact assessment on PPWR, SUPD and EU timber regulation and engagement with internal and external stakeholders	100%	90%	N/A		Due to complexity, some research is still ongoing.	
RESPONSIBLE RESOURCE USE							
Responsible resource use	Increase responsibly sourced fiber materials for food contact items	Percentage use of FSC materials vs non-FSC virgin materials	55% by 2025	44%	33%		
		ISCC PLUS certification for bio-based materials	100%	100%	N/A		Certification in place
		Percentage reduction of Polystyrene material compared to 2019	100% by 2025	71%	28%		
CONSUMER HEALTH AND SAFETY							
Consumer health and safety	Reduction of customer complaints	Number of complaints per 1000 production hours	Stay below 0.20	0.11	0.13	ESRS S4	
	Phase out PFA for fiber products by end 2025	By 2023: Ensure all new ovenable fiber-based products are PFAS-free	100%	87%	N/A		To reduce the risk, some items are produced at different sites. Not all sites have PFAS-free technology yet.
		Total weight of fiber based products PFA free compared to total weight of fiber based products	100% by 2025	34%	36%		Slower change due to delay in development of PFAS free technology
	Fully proactive Consumer Health and Safety compliance process	Roadmap on Consumer health and safety/Product Compliance	100%	30%	-		Several actions running, however not brought all together into a clear roadmap yet.
Training	Training Employees on Circularity, Responsible Resource Use and Consumer health and Safety	FSC training for targetted employees	100%	100%	N/A		

Additional ESRS metrics

INITIATIVE	KPI	location specific?	unit	Result 2023	Result 2022	Result 2019	CSRD metric (ESRS)	Comment	
GREAT PLACE 2 WORK	OUR PEOPLE BY THE NUMBERS	Total number of employees (at 31st December of each year)		996	990	-	S1		
		% Total Direct Labor	%	41%	47%	-			
		% Total Indirect Labor	%	59%	53%	-			
		Total new joiners		214	535	-	S1		
		Total employees who left		208	341	-	S1		
		Employee turnover	%	21%	38%	-	S1		
		Number of nationalities		43	40	-			
	DIVERSITY, EQUITY AND INCLUSION	Age structure						S1	
		< 18			0	0	-	S1	
		18 or 19			5	8	-	S1	
		20-29			151	164	-	S1	
		30-39			267	264	-	S1	
		40-49			309	318	-	S1	
		50-59			225	201	-	S1	
		60 or 60<			39	35	-	S1	
		Number of employees at top management level			21	-	-	S1	
		Percentage of employees at top management level	%		2%	-	-	S1	
		Age Structure management team						S1	
		30-39			1	-	-	S1	
		40-49			13	-	-	S1	
		50-59			7	-	-	S1	
Number of incidents related to diversity, equity and inclusion			0	-	-	S1			
% of women employed in relation to the whole organization	%		48%	51%	-				
WELL-BEING	% Employees with health insurance coverage by company		%	97%	97%	-	S1	The remaining 3% did not take the company offered health coverage program	
SOCIAL DIALOGUE	% of Total workforce across all locations who are covered by formal collective agreements concerning working conditions		%	40%	38%	-	S1		
	Percentage of employees, that are within threshold rate by country, covered by collective bargaining agreements (in the EEA)		%	100%	100%	100%	S1	Belgium and Frankfurt. Other locations are below the number of employees threshold.	
	Percentage of own employees covered by collective bargaining agreements (outside EEA) by region		%	0%	0%	0%	S1		
	Percentage of employees in country (EEA) covered by workers' representatives		%	100%	100%	100%	S1		
HEALTH & SAFETY	Percentage of people in its own workforce who are covered by a health and safety management system based on legal requirements and (or) recognised standards or guidelines		%	100%	100%	N/A	S1	Calculated on direct labor. All locations have a management system aligned with local legislations. On top, Lima, has OHSAS in place.	
	Number of fatalities in own workforce as result of work-related injuries and work-related ill health			0	0	0	S1		
	Number of hours worked			1,774,130	1,537,531	2,456,626			
	Number of days lost to work-related injuries and fatalities from work-related accidents			273	170	271	S1		
HUMAN RIGHTS AND ETHICS	Number of complaints filed through own internal channels for people in own workforce to raise concerns. (other than Speak-up line)			2	-	-	S1	Both cases followed the procedures and remediating actions were put in place. (They were not reported through our Speak-up line but through are own internal channels)	
	Amount of material fines, penalties and compensation for severe human rights issues and incidents connected to own workforce			0	0	0	S1		
	Percentage of operational sites assessed for human rights impact or risks			100%	100%	N/A	S1	Double materiality in 2023, separate human rights impact and risk assessment in 2022	
	Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises			0	0	0	S1		

PEOPLE



PEOPLE



PLANET

INITIATIVE	KPI	location specific?	unit	Result 2023	Result 2022	Result 2019	CSRD metric (ESRS)	Comment
GREAT PLACE 2 WORK	Amount of material fines, penalties and compensation for severe human rights issues and incidents connected to own workforce			1	1	N/A	S1	
	Percentage of operational sites assessed for human rights impact or risks			0	0	0		
	Number of confirmed information security incidents			0	0	0		
	Number of confirmed corruption and bribery incidents			0	0	0		
	Number of convictions for violation of anti-corruption and anti-bribery laws			0	0	0	G1	
	Amount of fines for violation of anti-corruption and anti-bribery laws			0	0	0	G1	
	Percentage of all sites assessed or audited internally on a specific business ethics issue			30%	N/A	N/A		
NET ZERO CARBON	Scope 1	global	tCO ₂ e	772	896	1,166	E1-6	
	Scope 2 location based	global	tCO ₂ e	10,724	12,401	19,033	E1-6	
	Scope 2 market based	global	tCO ₂ e	10,577	12,401	19,033	E1-6	
	Scope 3 total	global	tCO ₂ e	335,806	371,876	675,722	E1-6	
	Scope 3 cat 1 Purchased goods	global	tCO ₂ e	220,063	197,703	463,659	E1-6	
	Scope 3 cat 4 Upstream transport and distribution	global	tCO ₂ e	80,153	134,412	153,680	E1-6	
	Scope 3 cat 12 End-of-life of products	global	tCO ₂ e	35,589	39,431	58,383	E1-6	
	Total emissions (Scope 1+2+3) location based	global	tCO ₂ e	347,302	385,173	695,921	E1-6	
	Total emissions (Scope 1+2+3) market based	global	tCO ₂ e	347,155	385,173	695,921	E1-6	
	Total GHG emissions per net revenue (market based)	global	tCO ₂ /kCHF	1.01	1.19	1.73	E1-6	
	Percentage Scope 1 of total (market based)	global	%	0.22%	0.23%	0.17%	E1-4	
	percentage Scope 2 of total (market based)	global	%	3.05%	3.22%	2.73%	E1-4	
	percentage Scope 3 of total (market based)	global	%	96.73%	96.55%	97.10%	E1-4	
	reduction Scope 1 (compared to 2019)	global	%	-34%	-23%	NA	E1-4	
	reduction Scope 2 market based (compared to 2019)	global	%	-44%	-35%	NA	E1-4	
	reduction scope 3 (compared to 2019)	global	%	-50%	-45%	NA	E1-4	
	Total reduction greenhouse gas emissions (compared to 2019)	global	%	-50%	-45%	NA	E1-4	
	Estimated annual CO ₂ e savings (metric tonnes CO ₂ e)	global	tCO ₂ e	348,766	310,748	NA		
	Spending/revenue on climate transition	global	EU	41956	no data	no data	E1-5	This only relates to operational actions related to Scope 1 and 2 (this does not include Scope 3 initiatives)
	ENERGY	Total energy consumption	global	MWh	60,432	41,540	60,936	E1-5
Relative energy consumption (per net revenue deSter total)		global	MWh/kCHF	0.175	0.13	0.15	E1-5	
Total electricity consumption		global	MWh	38,536	39,661	57,267	E1-5	
Relative electricity consumption (per net revenue deSter total)		global	MWh/kCHF	0.11	0.12	0.14	E1-5	
Percentage green electricity purchased		global	%	3%	0%	0%	E1-5	
Total energy consumption from fossil sources		global	MWh	20,468	19,462	29,543	E1-5	
Total energy consumption from nuclear sources		global	MWh	11,014	12,879	16,748	E1-5	
Total energy consumption from renewable sources: fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources		global	MWh	7,034	7,297	10,945	E1-5	
Total energy consumption from renewable sources: disaggregated by: consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources		global	MWh	1,166	0	0	E1-5	
Total energy consumption from renewable sources: consumption of self-generated non-fuel renewable energy		global	MWh	0	0	0	E1-5	
Fuel sources: coal		global	MWh	0	0	0	E1-5	
Fuel sources: crude oil + petroleum		global	MWh	1,396	980	1,903	E1-5	

PLANET



INITIATIVE		KPI	location specific?	unit	Result 2023	Result 2022	Result 2019	CSRD metric (ESRS)	Comment
NET ZERO CARBON	ENERGY	Fuel sources: natural gas	global	MWh	0	0	47	E1-5	
		Fuel sources: LPG	global	MWh	31	33	336	E1-5	
		Fuel sources: electricity from fossil sources	global	MWh	20,468	19,462	29,543	E1-5	
		Energy consumption change 2019-2023	global	%	-1%	-32%	NA		
		Electricity consumption change 2019-2023	global	%	-33%	-31%	NA		
		Relative electricity consumption / prod revenue	HGS	MWh/CHF	454	258	336	E1-5	
		relative electricity consumption without WMF / prod revenue	PRB	MWh/CHF	478	375	555	E1-5	
		relative electricity consumption / prod revenue	LIM	MWh/CHF	807	650	671	E1-5	
WASTE AND POLLUTION	WASTE	Hazardous waste	global	ton	115	97	198	E1-5	
		Non-hazardous waste	global	ton	1,191	981	2,061	E1-5	
		recycled hazardous waste	global	ton	12	0	13	E1-5	
		Incinerated hazardous waste with E recovery	global	ton	95	90	177	E1-5	
		Landfilled hazardous waste	global	ton	8	6	8	E1-5	
		Recycled non-hazardous waste	global	ton	916	625	1,268	E1-5	
		Incinerated non-hazardous waste with E recovery	global	ton	194	315	608	E1-5	
		Non-hazardous waste to digester	global	ton	7	7	58	E1-5	
		Landfilled non-hazardous waste	global	ton	74	40	123	E1-5	
		Total waste	global	ton	1,306	1,078	2,259	E1-5	
		Percentage hazardous waste	global	%	9%	9%	9%		
		Percentage non-hazardous waste	global	%	91%	91%	91%		
		Percentage recycled hazardous waste	global	%	1%	0%	1%		
		Percentage incinerated hazardous waste with E recovery	global	%	7%	7%	14%		0.710620115
		Percentage landfilled hazardous waste	global	%	1%	0%	1%		
		Percentage recycled non-hazardous waste	global	%	70%	48%	97%		
		Percentage incinerated non-hazardous waste with E recovery	global	%	15%	24%	47%		
		Percentage non-hazardous waste to digester	global	%	1%	1%	4%		
		Percentage landfilled non-hazardous waste	global	%	6%	3%	9%		
		Recycled waste change 2019-2023	global	%	-28%	-51%	N/A		
		Percentage total recycled waste	global	%	71%	58%	57%		
		Total waste relative to net production revenue	global	ton/CHF	17	12	24		
		Total waste relative to net production revenue	HGS	ton/CHF	20	14	24		
		Total waste relative to net production revenue	PRB	ton/CHF	13	11	24		
		Total waste relative to net production revenue	LIM	ton/CHF	9	7	24		
		Total waste decline 2019-2023	global	%	-42%	-52%	N/A		
		Hazardous waste change 2019-2023	global	%	-42%	-51%	N/A		
		Non-hazardous waste change 2019-2023	global	%	-42%	-52%	N/A		
Recycled waste change 2019-2023	global	%	-71%	-51%	N/A				
Incinerated waste with E recovery change 2019-2023	global	%	-63%	-44%	N/A				
Landfilled waste change 2019-2023	global	%	-37%	-65%	N/A				
Total amount regrinded and reused plastics within own factories (plastics HGS)	HGS	ton	3,727	4,126	5,457	E1-5			

PLANET



INITIATIVE	KPI	location specific?	unit	Result 2023	Result 2022	Result 2019	CSRD metric (ESRS)	Comment	
WASTE AND POLLUTION	Total water consumption	HGS+PRB	m3	65,508	63,899	77,075	E3-4		
	Total water consumption in areas at water risk, including areas of high-water stress	PRB	m3	45,007	47,414	52,523	E3-4		
	Rain water consumption	HGS+PRB	m3	20,928	13,040	20,204	E3-4		
	Water to environment	HGS+PRB	m3	3,372	4,318	1,540	E3-4		
	Waste water to sewage	HGS+PRB	m3	38,562	45,220	47,858	E3-4		
	Total water recycled and reused in m3	HGS	m3	4,035	6,243	2,208	E3-4		
	Total water stored and changes in storage in m3	HGS	m3	10,928	13,040	20,204	E3-4		
	Total water consumption in its own operations in m3 per million kCHF net revenue	HGS+PRB	m3/EU	0.190	0.20	0.19	E3-4		
	Water consumption change 2019-2023	HGS+PRB	%	-15%	-17%	NA			
	Water intensity of production revenue in region with high or extremely high water stress.	PRB	m3/CHF	1,607	1,580	1,251			
	Zinc in waste water	HGS	g/m3	0.32	2.08	0.65	E2-4		
	Pollutants in water (total)	HGS+PRB	ton	162	523	no data	E2-4		
	Below thresholds in HGS and PRB	HGS+PRB	YES/NO	yes	yes	yes			
	Sites at water stressed regions (acc to Aqeduct)	Global		1	1	1			
	Relative water consumption / prod revenue	HGS	m3/CHF	466	317	522			
	Relative water consumption without WMF / prod revenue	PRB	m3/CHF	1,211	1,580	1,251			
	CHEMICALS	Number of different chemicals replaced in a year	global		9	18	no data		
	POLLUTION	VOCs	global	kg	355.2	501.2	1915.6	E2-4	
NOx (hgs)		HGS	kg	199.4	139.2	325.8	E2-4		
SOx (hgs)		HGS	kg	447.9	312.5	731.8	E2-4		
VOCs decline 2019-2023		global	%	-81%	-74%	NA	E2-4		
NOx decline 2019-2023		HGS	%	-39%	-57%	NA	E2-4		
SOx decline 2019-2023	HGS	%	-39%	-57%	NA	E2-4			

PRODUCT



RESPONSIBLE RESOURCE USE	RESPONSIBLE RESOURCE USE	Amount of PS input materials	global		ton	2,028	2,535	6,921	
		Percentage of biological materials (made from renewable materials)	global	%	40%	36%	17%	E5-4	Currently this equals the total amount of compostable items as renewable material for plastics is currently low
		Amount of recycled input materials (rPET)	global	ton	1,511	1,863	1,865		
		Amount of recyclable input materials (rPET + PET)	global	ton	5,637	6,550	8,613		
		Percentage of recycled materials (rPET) compared to total recyclable materials (PET + RPET)	global	%	27%	28%	22%		Only rPET can be used for food packaging products. On top, rPET is only used for single-use plastics. The amount of single-use plastics is declining
		Materials that are sourced from by-products or waste stream compared to total fiber based sourced products (non-food contact items)	global	%	28%	15%	5%	E5-4	
			global	%	10%	0.40%	0.10%	E5-4	
		The rates of recyclable content in products packaging	global	%	100%	100%	100%	E5-5	All products packaging is made from recyclable cardboard
The rates of recyclable content in products packaging	global	%	86%	86%	89%		Products packaging made from recycled cardboard		
CONSUMER HEALTH AND SAFETY	CONSUMER HEALTH AND SAFETY	Number of complaints received from consumers and/or end users during the reporting period	global			69	79	231	

ESRS qualitative content

Disclosure requirements		Page	Comment
ESRS 2 GENERAL DISCLOSURES			
BASIS FOR PREPERATION			
BP-1	General basis for preparation of sustainability statements	2 About this report, 30-49 Sustainability approach	
BP-2	Disclosures in relation to specific circumstances	32- 49 - Double materiality	Short Term, Medium Term and Long Term are integrated into the full double materiality exercise, more details available on request
GOVERNANCE			
GOV-1	The role of the administrative, management and supervisory bodies	55 Corporate Governance and Risk Management	More information on our executive board is available at our parent company level. www.gategroup.com/corporate-affairs/mandatory-reporting/
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	60-61 -Integrated ESG team	
GOV-3	Integration of sustainability-related performance in incentive schemes	73 - Performance and feedback	Each member of the management team has personal ESG goals integrated into their performance targets
GOV-4	Statement on due diligence	32-49 Double materiality, 55-59 Governance, 70 Our people/labor and human rights, 87 Sustainable procurement due diligence, ,188-191 SDG mapping	
GOV-5	Risk management and internal controls over sustainability reporting	43-49 Double materiality, 55 Corporate Governance and risk management, 60-61 Integrated ESG team	External assurance on Greenhouse Gas emission reporting (see Planet/ Greenhouse gas emissions)
STRATEGY			
SBM-1	Strategy, business model and value chain	15-29 About deSter, Our markets and products, Our core capabilities, 40-41 Our value chain	
SBM-2	Interests and views of stakeholders	36-37 Stakeholder interests and views	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	10-13 key figures and progress on targets, 32-33 %PeoplePlanetProduct approach, 39 General double materiality outcome, 40-41 Value chain, 42-49 Material sustainability topics	We integrate sustainability into our strategy and operations.
IMPACT, RISK AND OPPORTUNITY MANAGEMENT			
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	34- 49 Double materiality	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	34- 49 Double materiality	
TOPICAL STANDARDS			
ESRS E1 CLIMATE CHANGE			
GOV-3	Integration of sustainability-related performance in incentive schemes	73 - Performance and feedback	No incentive schemes yet specifically defined on carbon reduction however overall EGS goals, which includes the reduction of carbon emissions, are integrated into management personal goals
E1-1	Transition plan for climate change mitigation	107-116 Actions taken and planned per scope 1,2 and 3, 193 Actions on GHG reductions and energy efficiency	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	34- 49 Double materiality, 43 Material sustainability topics	
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	34- 49 Double materiality	
E1-2	Policies related to climate change mitigation and adaptation	101 Environmental Management - Our policy	
E1-3	Actions and resources in relation to climate change policies	107-116 Actions taken and planned per scope 1,2 and 3, 193 Actions on GHG reductions and energy efficiency	
E1-4	Targets related to climate change mitigation and adaptation	103 Greenhouse gas emissions/our approach	
E1-5	Energy consumption and mix	118-119 Energy and 172-177 Planet additional ESRS metrics	
E1-6	Gross Scopes 1, 2 & 3 and total GHG emissions	104 Overview of greenhouse gas emissions, 174-175 additional ESRS metrics	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	N/A	Not applicable yet. See development Carbon Optimized Products 9116)
E1-8	Internal carbon pricing	N/A	Not applicable, we do not have internal carbon pricing mechanisms in place
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	35-36 Methodology financial materiality	Potential financial risk and opportunities have been evaluated from 1 to 5, where 3 represented a financial impact of 1M EUR. Further details are not calculated (This information can be omitted for the first year of preparing sustainability statements)

Disclosure requirements		Page	Comment
ESRS E2 POLLUTION			
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	35-37 Double Materiality Assessment	
E2-1	Policies related to pollution	101 Environmental Management - Our policy	
E2-2	Actions and resources related to pollution	127 Actions on Pollution Reduction	
E2-3	Targets related to pollution	126 Our approach on pollution	
E2-4	Pollution of air, water and soil	126-127 Pollution/Metrics , 178-179 Goals and KPIs	
E2-5	Substances of concern and substances of very high concern	125 Chemicals	We did not include an actual list of all substances
E2-6	Anticipated financial effects from material pollutionrelated risks and opportunities	35-36 Methodology financial materiality	Potential financial risk and opportunities have been evaluated from 1 to 5, where 3 represented a financial impact of 1M EUR. Further details are not calculated (This information can be omitted for the first year of preparing sustainability statements)
ESRS E3 WATER AND MARINE RESOURCES			
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	35-37 Double Materiality Assessment	
E3-1	Policies related to water and marine resources	101 Environmental Management - Our policy	
E3-2	Actions and resources related to water and marine resources	124 Actions on water management	
E3-3	Targets related to water and marine resources	123 Our approach water management	
E3-4	Water consumption	124 Water managemen/Metrics, 176-179 Goals and KPIs	
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	35-36 Methodology financial materiality	Potential financial risk and opportunities have been evaluated from 1 to 5, where 3 represented a financial impact of 1M EUR. Further details are not calculated (This information can be omitted for the first year of preparing sustainability statements)
ESRS E4 - BIODIVERSITY AND ECOSYSTEMS			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	34-49 Double materiality, 129 Biodiversity approach and actions, 103-117 Planet/Greenhouse gas emissions, 139-147 Product/Product circularity, 146-151 Product/Responsible resource use	Biodiversity has been integrated into Greenhouse gas emission reduction, Product circularity, Responsible resource use
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	34- 49 Double materiality, 45 Biodiversity material topics	
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	34- 49 Double materiality, 45 Biodiversity material topics	
E4-2	Policies related to biodiversity and ecosystem	101 Environmental Management/Our policy	
E4-3	Actions and resources related to biodiversity and ecosystems	129 Biodiversity	
E4-4	Targets related to biodiversity and ecosystems	130 Biodiversity	
E4-5	Impact metrics related to biodiversity and ecosystems change	168-169 Increase responsibly sourced fiber materials for food contact items, 139-147 Product/Product circularity	
E4-6	Anticipated financial effects from biodiversity and ecosystems-related risks and opportunities	35-36 Methodology financial materiality	Potential financial risk and opportunities have been evaluated from 1 to 5, where 3 represented a financial impact of 1M EUR. Further details are not calculated (This information can be omitted for the first year of preparing sustainability statements)
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY			
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	34- 49 Double materiality, 46 Biodiversity material topics	
E5-1	Policies related to resource use and circular economy	139 Product circularity/Our circular economy approach	
E5-2	Actions and resources related to resource use and circular economy	140-145 Actions and numbers on product circularity	
E5-3	Targets related to resource use and circular economy	140 Our Circular Economy Targetsh	
E5-4	Resource inflows	146-151 - Product/Responsible resource use	
E5-5	Resource outflows	139-145 Product/Product circularity	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	35-36 Methodology financial materiality	Potential financial risk and opportunities have been evaluated from 1 to 5, where 3 represented a financial impact of 1M EUR. Further details are not calculated (This information can be omitted for the first year of preparing sustainability statements)

Disclosure requirements		Page	Comment
ESRS S1 OWN WORKFORCE			
SBM-2	Interests and views of stakeholders	36-37 - Double materiality assessment/Stakeholder interest and views	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	34- 49 Double materiality assessment, 66-93 Our people	We disclose information on all workforce members, the material impacts, both negative and positive and the description of activities leading to positive impacts and mitigation of risks including potential human rights risks
S1-1	Policies related to own workforce	69 Our people policies and approach, Labor and human rights, 196 List of policies	See full list of human rights policies
S1-2	Processes for engaging with own workers and workers' representatives about impacts	83 People/Engagement with our employees	We engage with employees and their representatives regularly and we take steps to understand and include perspectives of all deSter employees. We communicate in an accessible manner and ensure our workforce's perspectives inform our decisions and activities.
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	57 Whistleblower program, 69-71 People/Labor and human rights, 83 People/Engagement with employees	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	64-93 People/all topics, 160-173 People goals and KPIs	Targets relating to our own workforce are set under the People section and the effects of our actions on these targets are measured through our KPIs.
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	64-93 People/all topics, 160-173 People goals and KPIs	Targets relating to our own workforce are set under the People section and the effects of our actions on these targets are measured through our KPIs.
S1-6	Characteristics of the undertaking's employees	10-13 summary of our targets and progress, 69 Our people by the numbers, 74 diversity, equity and inclusion, 77 Well-being and work-life balance, 160-173 People goals and KPIs	Employee data was compiled from currently available systems and aggregated by two representatives of the HR team with the supervision of the Vice-president of HR. Data is segregated by locations and regions where necessary
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	N/A	N/A
S1-8	Collective bargaining coverage and social dialogue	83 People/Engagement with our employees, 173 Goals and KPIs	We follow all legal regulations concerning collective bargaining agreements. Employee representatives are elected by other employees and are regularly involved in two-way communication between management and workers. Some countries have different arrangements according to country-specific practices, traditions and local labor legislation.
S1-9	Diversity metrics	161-173 People goals and KPIs/Diversity	
S1-10	Adequate wages	76 People/Living wage	Calculated for our own workforce
S1-11	Social protection	76-77 Well-being and work-life balance	We work with legal requirements on social protection in line with legislation in the European countries we operate in. These include access to health care and income support in cases of challenging life events - such as the loss of a job - being sick and requiring medical care, giving birth and raising a child, or needing a pension due to retirement.
S1-12	Persons with disabilities	N/A	Due to European General Data Protection Regulation (GDPR) legislation, we do not currently collect information on disabled employees. We will monitor EU level guidance on how to report on this topic whilst respecting both EU and local legislation.
S1-13	Training and skills development metrics	73 Training and development, 161-173 Goals and KPIs	
S1-14	Health and safety metrics	84 Health and Safety, 161-173 Goals and KPIs	See page
S1-15	Work-life balance metrics	76-77 Well-being and work-life balance, 161-173 Goals and KPIs	See page
S1-16	Compensation metrics (pay gap and total compensation)	76 People/ gender pay gap	Total compensation not included
S1-17	Incidents, complaints and severe human rights impacts	57 Whistle blower program, 71 Corrective measures, 83 Channels to raise concern, 161-173 Goals and KPIs	No severe human rights issues, or violations of UN Guiding Principles and OECD Guidelines. No complaints filed to National Contact Points for OECD Multinational Enterprises, and no any material fines, penalties, or compensation for damages related to social and human rights violations.

Disclosure requirements		Page	Comment
ESRS S2 WORKERS IN THE VALUE CHAIN			
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	34- 49 Double materiality assessment, 87 People/Sustainable Procurement	
S2-1	Policies related to value chain workers	87 Sustainable Procurement/Our approach , visit our website www.dester.com/sustainability/reports/	We adhere to international standards such as the UN Guiding Principles, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises. We require all suppliers to sign our supplier Code of Conduct. (CoC also available on our website)
S2-2	Processes for engaging with value chain workers about impacts	87- 89 Sustainable Procurement/Human rights due diligence and supplier ESG assessment	On-site audits where we evaluate impacts to workers within our value chain.
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	87- 89 Sustainable Procurement/Human rights due diligence and supplier ESG assessment	Corrective action plans. During on-site audit supplier employees are contacted. Whistleblower line also publically available.
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	87- 89 People/Sustainable Procurement/Actions on sustainable procurement	Process in place including risk analysis, supplier assessment, on-site audits and corrective action plans
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	87- 89 People/Sustainable Procurement/Approach ; 162-165 Goals and KPIs Sustainable procurement	
ESRS S4 CONSUMERS AND END-USERS			
SBM-2	Interests and views of stakeholders	35 -49 - Double materiality assessment/Stakeholder interests and views, 152 Consumer Health and Safety Approach	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	35 -49 Double materiality assessment/Material sustainability topics, 48 Consumer and end-users	Product safety and quality, user experience improvements
S4-1	Policies related to consumers and end-users	152 Consumer Health and Safety Approach, 196 List of Policies	
S4-2	Processes for engaging with consumers and end-users about impacts	36-37 - Double materiality assessment/Stakeholders interests and views, 48 Double materiality/Consumer and end-users	Engagement via our customers (As we are a B2B business) through consumer testing, complaints procedure or potentially via our Integrity line
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	35 -49 - Double materiality assessment/Stakeholder interest and views	Issues raised through Integrity line or quality complaints are tracked, and regularly assessed to improve our consumer relations and maintain trust.
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	152 Product/Consumer health and safety/actions on consumer health and safety, 168-169 Consumer health and safety	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	153 Product/Consumer health and safety/actions on consumer health and safety, 168-169 Consumer health and safety	
ESRS G1 CONDUCT			
GOV-1	The role of the administrative, supervisory and management bodies	ref integrated ESG team, Governance ref to gategroup website	www.gategroup.com/corporate-affairs/mandatory-reporting/
G1-1	Corporate culture and business conduct policies and corporate culture	55-56 Corporate Governance and risk management/Business conduct	
G1-2	Management of relationships with suppliers	87- 89 People/Sustainable Procurement/Approach ; 162-165 Goals and KPIs Sustainable procurement	
G1-3	Prevention and detection of corruption and bribery	48 Workers in the value chain 49 Management of relationship with suppliers, 55-61 Governance / Business conduct / Corruption and bribery, 198-199 Overview of trainings and communication	We have strong measures to prevent, detect, and address corruption or bribery. An independent committee investigates allegations, ensuring unbiased reviews. We clearly communicate our anti-corruption policies and offer extensive training, covering all at-risk functions and including management.
G1-4	Confirmed incidents of corruption or bribery	58 Governance / Business conduct / Corruption and bribery, 170-173 Human rights and ethics	No incidents on corruption or bribery

UN GLOBAL COMPACT QUALITATIVE CONTENT



Principle	Requirement	Relevant Chapters of the Document
HUMAN RIGHTS		
1. Promote and respect the protection of international human rights law.	Implement policies that respect human rights; conduct due diligence to identify, prevent, and mitigate human rights abuses.	Policies 198, Our People in 2023 69-90
2. Take care not to be complicit in human rights violations.	Avoid involvement in human rights abuses; ensure that business operations do not contribute to such abuses.	Due Diligence 35-50; Our People 62-90
INTERNATIONAL LABOR STANDARDS		
3. Respect freedom of association and recognize the right to collective bargaining.	Respect employees' rights to join unions and bargain collectively; ensure that these rights are protected.	89, Pending Further info from
4. Contribute to the elimination of all forms of forced or compulsory labor.	Prohibit forced labor in all operations and supply chains; conduct regular audits to ensure compliance.	Materiality 48, People 68-70, Sustainable Procurement 87-88, SDGs 189
5. Contribute to the effective abolition of child labor.	Implement strict policies against child labor; monitor and audit operations and supply chains to ensure no child labor is used.	Our Policies 198, People 68-70, Sustainable Procurement 87-88, SDG's 189
6. Contribute to the elimination of discrimination in employment and occupation.	Promote equal opportunity and diversity; prevent discrimination in hiring, employment, and occupation.	Our policies 198, People 68-69, Diversity, equity and inclusion 74-76
ENVIRONMENT		
7. Apply the precautionary approach to environmental challenges.	Implement environmental risk management practices; take preventive measures to avoid environmental damage.	Due Diligence 35-50, Planet 94 - 129, Double materiality 44-46
8. Take initiatives to promote greater environmental responsibility.	Develop and implement initiatives to enhance environmental responsibility.	Planet 94-129
9. Promote the development and diffusion of environmentally friendly technologies.	Invest in and promote the use of environmentally friendly technologies.	Product 130-152
ANTI-CORRUPTION		
10. Act against corruption in all its forms, including extortion and bribery.	Implement strong anti-corruption policies and practices; ensure transparent operations.	Our Policies 198, Governance 52-61, Anti corruption 58

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.



SDG PRIORITY GOALS	KEY SDG BUSINESS THEMES FOR DESTER	DESTER'S STRATEGIC GOALS CONTRIBUTING TO THE SDGs GOALS
<ul style="list-style-type: none"> <li data-bbox="1632 661 1736 766"> <li data-bbox="1632 787 1736 892"> <li data-bbox="1632 913 1736 1018"> <li data-bbox="1632 1123 1736 1228"> 	<ul style="list-style-type: none"> <li data-bbox="1780 651 2062 735"> 3. Ensure healthy lives and promote well-being for all at all ages <li data-bbox="1780 787 2062 871"> 5. Achieve gender equality and empower all women and girls <li data-bbox="1780 924 2062 1092"> 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all <li data-bbox="1780 1123 2062 1207"> 10. Reduce inequality within and among countries 	<ul style="list-style-type: none"> <li data-bbox="2507 640 2893 661"> Be a Great Place 2 Work by end of 2025 <li data-bbox="2507 703 2893 1039"> <ul style="list-style-type: none"> • This includes commitments to Diversity, Equity and Inclusion (including gender pay gap closure), discrimination and harassment, career management (e.g. training and development), working conditions (e.g. well-being, recruitment, onboarding, living wage), abolition of child and forced labor, social dialogue and commitments on health and safety. <li data-bbox="2507 1081 2893 1176"> Continuous improvement actions on human rights and ethics based on risk assessments. <li data-bbox="2507 1207 2893 1291"> Achieve sustainable supply chain by 2025. This includes CSR risk assessment and on-audits of suppliers. <li data-bbox="2507 1323 2893 1438"> Be recognized as an active contributor within our local communities worldwide by 2025" by "Actively contribute to our local communities worldwide by 2025"

PLANET

PRODUCT

SDG PRIORITY GOALS

KEY SDG BUSINESS THEMES FOR DESTER

DESTER'S STRATEGIC GOALS CONTRIBUTING TO THE SDGs 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

- 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

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 achieving nature positive by 2030 by focusing on climate change, and land use and land use change both upstream and downstream (see product)

SDG PRIORITY GOALS

KEY SDG BUSINESS THEMES FOR DESTER

DESTER'S STRATEGIC GOALS CONTRIBUTING TO THE SDGs 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

- 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

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. This includes collaboration with others on the collection and separation of recyclable and organic materials to increase recycling and composting rates in practice and the introduction and expansion of reuse and closed-loop recycling models

Working only with responsible sources and sustainable materials with regards to plastic, fiber and paper materials by **2025**. (for example, increase rate of FSC sourced paper)

Remove all added fluorinated compounds from packaging materials globally by **2025**

ACTIONS GHG REDUCTIONS AND ENERGY EFFICIENCY

SAVINGS AND INVESTMENTS OF 2023 AND ESTIMATE OF PLANNED ONES

ACTIONS PER YEAR ON ENERGY AND CIRCULAR ECONOMY
OWNER: ENVIRONMENTAL FOOTPRINT MANAGER
VERSION: MARCH 2023

Location	scope	action taken	reporting year	t CO ₂ e saving / year
2023				
HGS	1	Electrical and hybrid cars total	2023	55
HGS	1	No more heating with gas	2023	7.6
HGS	1	Closed loop refrigerants	2023	23.8
HGS	2	LED lights	2023	
HGS	2	Paperboard cutlery replacing SUP plastic IM cutlery	2023	
HGS	2	Green electricity 10%	2023	147
PRB	2	LED lights	2023	20
HGS	3	Inmold labeling machine for reusable cups foodservice	2023	
HGS	2	Sensorfact	2023	
HGS	2	Pentaq Solutions: air leakages	2023	
2024				
HGS	2	20% green electricity jan-june 2024	2024	288
PRB	2	20% green electricity jan-june 2024	2024	661
LIM	2	20% green electricity jan-june 2024	2024	123
HGS	2	Switch to LED lights	2024	
HGS	2, 3	PBC line 3	2024	
PRB	2, 3	PBC line 1	2024	
Global	3	Supplier engagement carbon pilot	2024	
HGS	1	Study on reuse heating production and cooling tower to replace fossil fuel for heating	2024	
HGS	1	Install new loading stations for electrical and hybrid vehicles	2024	
PRB	1	Business case on electrical vs diesel driven forklifts	2024	
HGS	2	Compressed airleakages detection and reparation	2024	
PRB	2	Compressed airleakages detection and reparation	2024	
HGS	2	Further implementation of Sensorfact	2024	
HGS	3	ISCC Plus options for plastics	2024	
Global	3	Product carbon footprint accounting tool	2024	
HGS	3	Carbon optimized products	2024	
2025				
HGS	2	Installation of solar panels		
PRB	2	Installation of solar panels		

CERTIFICATIONS AND AUDITS

Vicky Van Der Heyden
Tiny Cox
Demand & Supply

	deSter BV, Hoogstraten, Belgium	deSter Co. Ltd., Prachinburi, Thailand	deSter Corporation, Lima, Ohio, USA
QUALITY AND PRODUCT SAFETY			
BRCGS Global Standard for Packaging Materials Issue 6	A+ grade	AA+ grade	A grade
BRCGS Food Safety Issue 8	A+ grade	A grade	
Bio Sugar	✓		
Fairtrade Sugar	✓		
FSC Chain-of-custody	✓	✓	
ISCC PLUS	✓		
Home OK Compost Mark	✓		
Industrial OK Compost Mark	✓		
Food and Drug Administration (USA)	✓ (registration)	✓ (registration)	✓
FAVV (Federaal Agentschap voor de veiligheid van de voedselketen) Food Safety Audit	✓		
EFSA (European Food Safety Authority) approval for deSter's closed loop recycling concept	✓		
CE-532 EU production	✓		
NSF conformity quality and food approval food packaging	✓	NSF conformity quality and food approval food packaging.	
ENVIRONMENT			
Energy Audit	✓		
Noise Audit	✓ (2018)	✓	✓
Water analysis	✓ (waste, cooling and tap water)	✓ (wastewater and specific lines)	
AIR QUALITY			
Greenhouse gas emissions verification	✓	✓	✓
Working conditions employees			
Thai Labour Standard (TLS8001-2020)		✓	
Health and Safety Audit (IDEWE)	✓		
Periodic technical controls	✓		
COMBINATION OF TOPICS			
Supplier Workforce Audit	✓	✓	✓
SMETA Sedex	✓	✓	✓
ISO9001: 2015		✓	
Unemployment audit State of Ohio			✓

DESIGN AND SUSTAINABILITY AWARDS



Year	Entity	Award	Product	Intl awards	Industry awards	Sustainability related
2019	deSter	VOKA (Flemish Chamber of Commerce) Award for Innovative Entrepreneurship 2019	Acknowledged deSter's sustainable innovations and ongoing commitment towards developing products that in time will fully fit into the circular economy.	1		1
2019	deSter	IPC Subway award for Innovation Partner of the Year	Overall cooperation with Subway		1	1
2019	deSter	OBH - Best Onboard Amenities Business Class – Highly Commended	Brussels Airlines kit with Essential & Rituals		1	
2019	deSter	TravelPlus - First Class Female Kit	First Class Female Kit - Oman Air		1	
2019	deSter	TravelPlus - Business Class Male Kit	Business Class Male Kit - Oman Air		1	
2019	SPIRIANT	iF Design Award	LH First Class Dining Experience - The Etagere	1		
2019	SPIRIANT	Red Dot Design Award	LH First Class Dining Experience	1		
2019	SPIRIANT	German Design Award	Emirates Golden Basket	1		
2019	SPIRIANT	TravelPlus Award "Gold"	First Class Amenity Kit		1	
2019	SPIRIANT	TravelPlus Award "Gold"	Premium Economy Class Amenity Kit		1	
2019	SPIRIANT	TravelPlus Award "Gold"	Business Class Sleep Suit		1	
2019	SPIRIANT	TravelPlus Award "Highly Commended"	First Class Sleeper Suit/Pyjamas		1	
2019	SPIRIANT	PAX International "Winner"	First Class Amenity Kit (Asiana Airlines)		1	
2019	SPIRIANT	PAX International "Winner"	First Class Amenity Kit (LH)		1	
2019	SPIRIANT	Die großen deutschen Marken 2020	SPIRIANT			
2020	SPIRIANT	PAX International Readership Award	QF First Class Amenity Kit/First Class Amenity Kits - Australasia			
2020	SPIRIANT	German Design Award	Winner 2020 Golden Basket	1		
2020	deSter	OBH - Cabin Concept Bronze Winner	Delta International Main Cabin (submitted by Delta)		1	1
2020	deSter	Red Dot Packaging Design (Packaging Design – Brands & Communication Design)	SAS Cube 2.0	1		
2020	deSter	Pentaward Gold (Category Packaging Design – Soups, Ready-to-Eat dishes, Fast Food)	SAS Cube 2.0	1		1
2020	SPIRIANT	Onboard Hospitality Award	QF First Class Amenity Kit/First Class Amenity Kits		1	
2020	SPIRIANT	Onboard Hospitality Award	LH Magic and Surprise Box		1	
2020	SPIRIANT	Onboard Hospitality Award	Children Amenity Kit / LH Cool bag for children		1	
2020	SPIRIANT	Travel Plus Magazine Award	Children Amenity Kit / LH Cool bag for children		1	
2020	SPIRIANT	Travel Plus Magazine Award	Readers' Favorite / HX Business Class Amenity Kit		1	
2022	deSter	German Design Award excellent communication	Lufthansa Onboard Delights	1		1
2022	deSter	German Design Award excellent communication	Swiss Saveurs packaging	1		1
2022	deSter	EcoVadis Silver 2022				1
2023	deSter	EcoVadis Gold 2023				1
2023	deSter	Packathon Albert Hein (Winner of sustainability award)	A reusable resealable packaging for ready meals made smart through a digital deposit system.			1
2023	deSter	German Design Award Excellent Product Design – Eco Design	Etihad airways - Reusable main cabin set-up			1
2023	deSter	German Design Award Excellent Product Design – Eco Design	Paper Board cutlery			1
2023	deSter	German Design Award Bento Box - Excellent Product Design – Tabletop	Business class new concept	1		

LIST OF POLICIES

Business ethics

- Code of Conduct
- Anti-Corruption and Anti-Bribery
- Anti-money Laundering
- Anti-trust
- Fair dealing with Business Partners
- Conflicts of Interest
- Competition Policy
- Group Cash and Bank Account & Relationship Management
- Global Security Standard
- Information Security and data privacy
- IT Acceptable Use
- Sanctions

Human Rights

- Child Labor
- Forced Labor
- Respecting and complying with Labor Standards
- Human Rights
- Fair Compensation and Living Wage
- Bullying and Harassment in the Workplace
- Diversity and Inclusion
- Training Development
- Career Management
- Recruitment and Selection
- Health and Safety
- Social Dialogue
- General sustainability
- Environmental Policy (including product policies)
- Sustainable Procurement



TRAININGS SINCE 2020

OVERVIEW OF TRAININGS AND COMMUNICATION

Trainings since 2020

See overview on the right

Upcoming trainings 2024:

- Throughout 2024, a program by UN Global Compact will be followed by the Environmental Footprint Manager: Sustainable Supply training program. This is an international training project focused on specific areas of the Ten Principles of the UN Global Compact, the Sustainable Development Goals (SDGs) and corporate sustainability.
- 2024: EcoVadis global conference Sustain 2024 (live by Sustainability Analyst)
- 2024: Sustainability LIVE net zero (online attendance by Environmental Footprint Manager)
- ISO14001 training of norm
- Internal auditor training

Communication campaigns environment

2023

- Update on environment actions and data during the ambassadors meeting in December 2023.
- Emails to our management on en-

vironmental related news: Broken Record Report conclusions and COP28 outcomes.

- During the Sales Summit in September 2023, our progress on ESG was explained to deSter's sales teams. Also, environment was an important topic covered.
- In April 2023, deSter organized an initiative with Earth Day: 'Earth Week'. During this week, awareness was created on the environment and small actions our employees could do to decline their environmental footprint, such as using a reusable water bottle, carpooling or commuting by public transport, or eating a vegetarian lunch. The employees could send in their actions through a form and received a sustainable gift for their efforts: a reusable bag and bowl, to replace single-use plastic in their daily lives.
- The leadership team (LTM) was presented in October 2023 the progress on Planet goals, greenhouse gas emissions status, and details on Scope 3 calculations and actions to be taken.
- In our buildings, there are posters on our PeoplePlanetProduct Strategy. Hereby we communicate

on the ESG focus to the entire organizations and visitors in our buildings.

- We also have digital screens in the canteen areas, where information on different topics is shared. In 2023, slides were shown on Science Based Targets initiative, Sustainability Report 2023, Earth Week, Sustainable Procurement, Operation Clean Sweep... to communicate to our employees and create awareness.

2024

- Training managers of Prachinburi and Barcelona on ESG
- Training of blue-collar employees in Hoogstraten, Prachinburi and Lima
- Training on the ISO14001 norm of the selected internal audit team of environmental management system in Hoogstraten
- Training on internal auditing for the selected internal audit team of environmental management system in Hoogstraten

Year	Platform	Learning Content	ESG
2024	In Person	ISO14001 norm	E
2024	In Person	Internal auditor training	E
2024	Workday	Data Protection Vigilance Matters	G
2024	Workday	Antibribery Third Party Agents	G
2023	Workday	Unconscious bias training for gender equity	S
2023	Ms Teams	Sustainable Procurement- Carbon footprint management	E
2023	In Person	Anti-corruption & Anti-bribery for Commercial Team Foodservice	G
2023	In Person	Anti-trust for Commercial Team Foodservice	G
2023	In Person	Anti-corruption & Anti-bribery for Commercial Team Travel	G
2023	In Person	Anti-trust for Commercial Team Travel	G
2023	External	Anticorruption Deep Dive: Implementing anti-corruption programs in your company	G
2023	Ms Teams	FSC Training	E
2023	In Person	ESG Training - Ambassadors	ESG
2022	Workday	Human Resources Policies (Labour Law)	S
2022	Workday	Carreeer Management Policy	S
2022	Workday	Competition Law: Preventing Anti-Competitive Practices	G
2023	Workday	Human Resources Policies (Labour Law)	S
2022	Knowbe4	Cyber Security Awareness	S
2022	Workday	Data Protection and Information Security	G
2022	Workday	Health and Safety Policy	G
2022	Workday	Business Ethics Policies	S
2022	Workday	Human Rights Policies	S
2022	Workday	Inclusion and Diversity Policy	S
2022	Workday	Recruitment Policy	S
2022	Workday	Social Dialogue Policy	S
2022	External	Sustainable Procurement (Including Human Rights & Environment ESG)	S
2021	Knowbe4	Data Protection Essentials	G
2021	Knowbe4	Security Awareness Fundamentals	G
2021	Knowbe4	Social Engineering With Quiz	G
2020	Navex Global	Anti-Bribery & Corruption (Advanced)	G
2020	Navex Global	Code of Conduct	G
2020	Navex Global	Global Data Privacy_2020	G

DEFINITIONS AND ABBREVIATIONS

deSter manufacturing locations:

- Hoogstraten, Belgium = HGS
- Prachinburi, Thailand = PRB
- Lima, Ohio, USA = LIM
- Barcelona, Spain = BCN (Nupik by deSter) – acquired in February 2024

deSter offices:

- Hoogstraten, Belgium = HGS
- 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.

AI = artificial intelligence

CDP = Carbon Disclosure Project

CO₂e = carbon dioxide equivalent

CSDDD = Corporate sustainability due diligence = upcoming European legislation

CSRD = Corporate Sustainable Reporting **Directive** = new European legislation that requires large companies and listed SMEs to publish regular reports on their environmental and social impact activities.

DE&I = diversity, equity, and inclusion

DMA = double materiality assessment

EMS = environmental management system

ESG = Environmental – Social – Governance = 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).

ESPR = Eco-Design for Sustainable Products Regulation

ESRS = European Sustainability Reporting Standards = Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The standards were developed by the EFRAG, previously known as the European Financial Reporting Advisory Group, an independent body bringing together various stakeholders. There are different ESRS standards, ESRS E1 – E5 are related to environmental matters, discussed in this policy.

EU PPWR = European Packaging & Packaging Waste Regulation

EUDR = European Deforestation Regulation

GHG = greenhouse gas

GHG protocol = GHG Green House Gas 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 emissions from private and public sector operations, value chains and mitigation actions.

GPG = gender pay gap

GWP = global warming potential

HSE = health, safety and environment

IPCC = Intergovernmental Panel on Climate Change

KPI = key performance indicator

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

PA&P = Personal Appraisal and Planning = yearly process of employee evaluation, based on set objectives and feedback. This is a groupwide process.

PBC = paper board cutlery

PFAS = Per- and polyfluoroalkyl substances

PPE = personal protective equipment

QSR = quick service restaurants

R&D team = research and development department deSter

Recycling = material is recovered and used again.

Closed loop recycling = a specific way of recycling, where a product at its end of life is grinded and the material is put into a newly produced, similar item, and so reusing the material from that original item to create a new, similar item.

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

VOC = volatile chemical compound = 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.

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.

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.

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

ISCC PLUS = ISCC PLUS certification is a voluntary scheme that is applicable for the bioeconomy and circular economy for different materials, such as chemicals, plastics, packaging, and renewable feedstock derived from a process using renewable energy sources. Certification under the ISCC standard assures a fully transparent and deforestation-free supply chain and the protection of land with high biodiversity value and high carbon stock. The ISCC standard complies with human, labor, and land rights, as well as good management practices. The ISCC PLUS for plastics is based upon mass balances of renewable or recycled resources in products. This is verified and traced across the entire value chain.

OCS = Operation Clean Sweep = international program that prevents the loss of plastic granules (pellets, flakes and powders) during handling by various entities in the plastics value chain. The organization focuses on preventing plastic pellets from entering waterways and harming wildlife and ecosystems. The goal is to achieve zero pellet loss by handling and disposing of pellets correctly during the industrial processes.

RFID = Radio Frequency Identification

rPET = recycled PET

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

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

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

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

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.

Organic composting = the resources return to soil as nutrition for something new. With organic composting we focus on home composting, and specifically do not focus on industrial composting or the use of industrial compostable materials.

SDG = Sustainable Development Goals = Universal call to action by UN (United Nations) started in 2015 to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity

UNCG = United Nations Global Compact

² [About Us | Greenhouse Gas Protocol \(ghgprotocol.org\)](#)

³ [Home \(fsc.org\)](#)

⁴ [What are volatile organic compounds \(VOCs\)? | US EPA](#)

⁵ [Sulfur Oxides | Center for Science Education \(ucar.edu\)](#)

⁶ [Nitrogen Oxides | Center for Science Education \(ucar.edu\)](#)

⁷ <https://explore.panda.org/cop15/naturepositive>

⁸ <https://www.iscc-system.org/>

⁹ [About Us - Science Based Targets \(sciencebasedtargets.org/\)](#)

¹⁰ [Corporate Value Chain \(Scope 3\) Standard | Greenhouse Gas Protocol \(ghgprotocol.org\)](#)

¹¹ [REACH — Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals | Safety and health at work EU-OSHA \(europa.eu\)](#)



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