



Sustainable Procurement Policy

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Sustainable Procurement Policy

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1. Introduction

1.1 INTRODUCTION

At Berlin Packaging we are aware of the key role we play with suppliers and customers across the packaging value chain, and for this reason, we have developed a dedicated Sustainable Procurement Policy that frames our mission to unlock commercial opportunities and drive sustainability.

Leveraging our hybrid business model and material-neutral stance, Berlin Packaging applies this Policy to seize sustainability opportunities with our customers and suppliers. This document serves as a tool to build global partnerships with suppliers, promoting sustainable practices and fostering collaborative efforts to enhance overall environmental stewardship within the industry.

1.2 SCOPE

Our Sustainable Procurement Policy is global, covering all procurement activities and suppliers in our extensive supply chain. We commit to communicating our policy to employees, customers, suppliers, and all main stakeholders. By fostering dialogue and collaboration, we aim to advance sustainability in our procurement practices. To ensure effective implementation and compliance, all procurement-involved employees must adhere to this policy, monitored through regular audits and assessments for continuous improvement and alignment with our sustainability objectives.

1.3 OUR MISSION

Berlin Packaging's mission is to improve our customers' net income through our products and services. We do so via three value levers: Increasing our customers' sales, reducing our customers' overall costs, and improving our customers' productivity. Sustainability underpins each of these concentrations and thus is at the heart of every product and service we offer.

As the world's largest hybrid packaging supplier, we embrace the opportunity from this global context to become a sustainability enabler for the whole packaging value chain, accelerating the business success of our customers.

We are committed to a more sustainable world, starting with our own business practices and supply partners. We aim to create a sustainable and resilient business model through strategic partnerships, responsible sourcing, and innovative practices, supporting long-term economic viability.

1.4 OUR PILLARS

Sustainable Packaging Procurement:

At Berlin Packaging, we partner with suppliers that manufacture packaging solutions that embed sustainability on three fronts: increase the circularity of materials, improve efficiency through continuous optimization and innovation, and create closed-loop systems with reusable and refillable solutions. We support our customers by developing the most sustainable packaging

solutions for their product portfolios by partnering with suppliers around the globe that lead sustainability with best practices and innovation.

Supplier Sustainability and Climate Action:

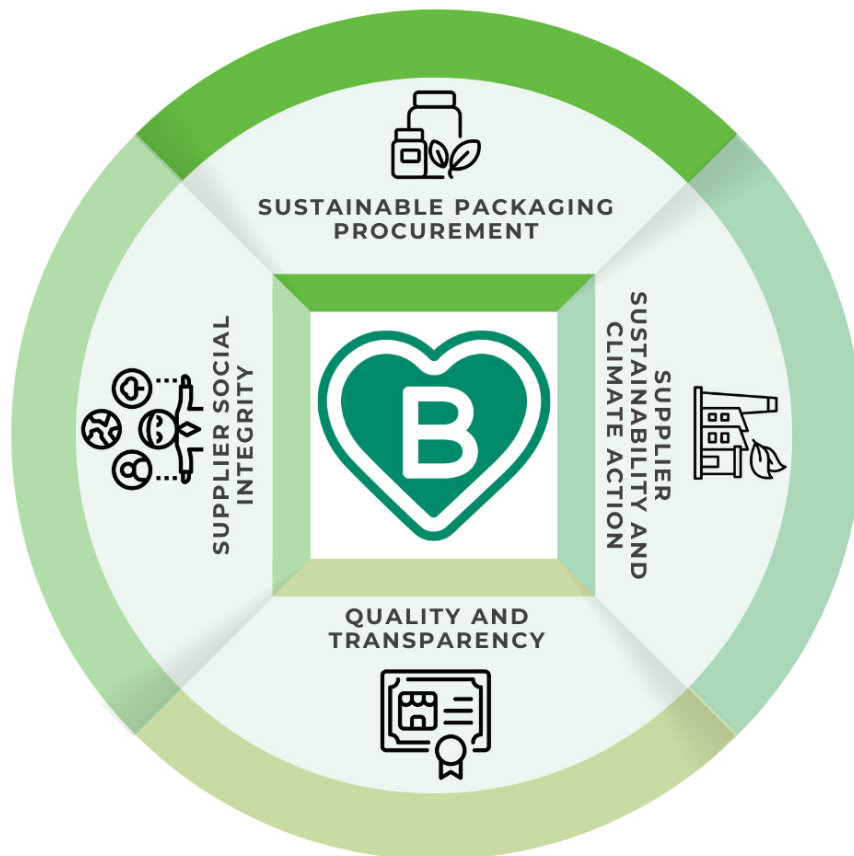
Acknowledging the key position we play in the packaging value chain, we understand the level of influence we have in driving sustainability across stakeholders. Through collaboration with our supply partners, we aim to reduce our Scope 3 emissions and work together to develop initiatives that improve resource efficiency, ranging from efficient manufacturing processes to minimizing waste generation.

Quality and transparency:

Quality is paramount to Berlin Packaging. We are proud of our leadership and customer-centered approach, delivering our products meeting requirements, and exceeding expectations. Additionally, we ensure that our stakeholders have clear visibility into the supply chain, fostering trust and accountability.

Supplier Social Integrity:

We maintain high ethical standards within our Company with fundamental principles that prioritize respect in the workspace and ethical business practices. We demand this type of behavior from our supply partners, promoting integrity, fairness, and respect throughout the supply chain.



2. Our Sustainable Procurement Program

2.1 SUSTAINABLE PACKAGING PROCUREMENT

We recognize that sustainable procurement extends beyond environmental and social considerations to encompass economic viability, fostering partnerships that promote long-term profitability and resilience. Through strategic sourcing, cost-efficient practices, and fair-trade principles, we aim to balance environmental stewardship with sound business decisions, ensuring the prosperity of our company and stakeholders alike.

We aim to be an industry-leading provider of sustainable packaging products and services. In line with this ambition, our Policy incorporates a robust framework for addressing and combining sustainability with packaging procurement.

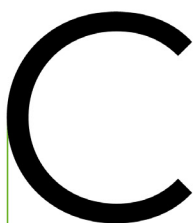
2.1.1 Sustainable Packaging Offering

Our hybrid business model allows us to play a crucial role along the packaging value chain. We have a material-neutral approach that allows us to be in a trusted position to provide our customers with substantiated sustainability claims and packaging that best meets their requirements.

Considering this context, a key focus lies in the development and promotion of sustainable packaging offerings. By prioritizing sustainable materials, innovative design, and responsible production practices, we strive to deliver packaging solutions that minimize environmental impact while meeting the diverse needs of our customers. Our commitment to sustainable packaging offerings extends beyond compliance to embody a proactive approach towards creating a more sustainable future.

Through continuous research, development, and collaboration with stakeholders, we aim to lead the industry toward a more sustainable and resilient future, where packaging catalyzes positive environmental change.

Berlin Packaging has achieved success in its sustainable product offering through initiatives that are in line with our C.O.R.E model.



CIRCULARITY

- Recyclability
- Recycled content
- Strategic sourcing and stock solutions
- Material innovation and discovery



OPTIMIZATION

- Lightweighting
- Packaging and product efficiency
- Value analysis / Value engineering
- Local manufacturing



REUSE & REFILL

- In-house, on-the-go and in-store refill systems
- Reuse & refill system design and implementation



ENVIRONMENTAL SERVICES

- Sustainability strategy roadmapping
- Consumer and market insights
- Quantitative assessments
- Custom design and product innovation
- Sustainability education and communications

Our main goals:

- Year over year, increase key sustainable attributes in our packaging portfolio (e.g. recycled content, recyclability, bioplastics, lightweight, and reuse/refill applicability)
- Year over year, increase the number of customers we support in assessing and developing their packaging solutions, based on law requirements and sustainability parameters, enabling them to achieve their sustainability targets.

2.1.2 Internal Sustainable Procurement Training

In our Sustainable Procurement Policy at our company, we recognize the crucial role of internal sustainable procurement training in fostering a culture of environmental stewardship and responsible sourcing practices. Through targeted education and awareness programs, we empower our employees with the knowledge and skills needed to integrate sustainability principles into every facet of our procurement processes. By equipping our team with tools to identify sustainable suppliers, assess sustainability performances, and make informed purchasing decisions, we enhance our ability to minimize our environmental footprint and drive positive change.

Our main goals:

- We aim to host regular workshops with our sourcing team, sharing with them guidelines to source sustainable packaging from suppliers that comply with ESG requirements.

2.2 QUALITY AND TRANSPARENCY

Berlin Packaging is dedicated to the highest quality products to consistently deliver customer thrill for our packaging customers. We ensure the quality of the packaging we sell complies with regulations, meeting our customers' needs as well as technical requirements to guarantee product integrity. This is a key principle as we recognize that a successful package maintains and protects the product it contains, maximizing sustainability performance.

2.2.1 General Quality

By adhering to quality control measures and due diligence processes to address potential adverse impacts, we ensure that our products meet all compliance requirements and industry standards. Our dedication to product quality within the framework of sustainable procurement reflects our unwavering commitment to providing packaging solutions that are durable, dependable, and free of chemicals of concern.

REACH

Compliance with REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) regulations is a critical aspect of our commitment to environmental and human health. REACH is a comprehensive EU regulation to ensure the safe use of chemicals and protect both human health and the environment.

We prioritize sourcing materials and substances that comply with REACH requirements, thereby minimizing the presence of harmful chemicals in our packaging solutions.

Our main goals:

- Ensure that 100% of our suppliers that require REACH disclosure, provide adequate documentation for traceability and assurance of compliance.

2.2.2 Traceability

The global packaging industry is adapting to new requirements in the international regulatory landscape, retailers, business associations, investors, and consumers. The need for accountability, traceability, and validation of claims is now at the center of attention for various stakeholders across value chains. At Berlin Packaging, we commit to enabling a transparent supply chain with a detailed overview to ensure the traceability of different components and metrics.

Recycled Content Traceability

The use of recycled content for different substrates (plastic, glass, metals, paper, etc.) plays a significant role in enabling circular systems. In this regard, it becomes crucial to track and monitor the amount of recycled content used in the packaging we provide to our customers. At Berlin Packaging, we commit to enabling upstream traceability systems for the recycled content used in packaging. This represents a key priority, as well as an opportunity to strengthen the collaboration with our supplier partners and customers to drive sustainability.

Conflict Minerals

Addressing conflict minerals is of paramount importance. Conflict minerals, such as tin, sourced from regions with human rights abuses, pose significant ethical and social challenges within the supply chain. We are committed to ensuring that our procurement practices do not contribute to these conflicts or human rights violations. By conducting due diligence and collaborating with suppliers who adhere to responsible sourcing practices, we strive to eliminate the use of conflict minerals in our packaging materials.

Our main goals:

- Ensure that 100% of our suppliers that we source tin from are conflict-free, and that the associated forms that validate this are collected and updated yearly.

2.3 SUPPLIER SUSTAINABILITY AND CLIMATE ACTION

Within our packaging company's Sustainable Procurement Policy, the systematic approach to drive sustainability across the value chain stands as a cornerstone principle. We understand the implications our operations have on the planet, from resource extraction to waste generation, and are committed to minimizing the environmental impacts at every stage of the supply chain. Our approach is multifaceted, encompassing both upstream and downstream activities, from selecting suppliers with strong environmental credentials to promoting circularity and recyclability in product design.

Beyond sustainable packaging, we integrate supplier sustainability into our procurement strategy, prioritizing two main aspects:

- the collaborative work in climate action to reduce Scope 3 greenhouse gas emissions by driving resource efficiency and circularity across the value chain; and,
- the promotion of an ESG culture with our suppliers, with special emphasis on human rights and environmental preservation

2.3.1 Supplier Decarbonization

Scope 3 emissions play a critical role in our efforts to reduce the carbon intensity of our business. With over 1,700 suppliers around the world, the Purchased Goods and Services category in our Scope 3 emissions is a key parameter for the decarbonization of our supply chain. We are committed to prioritizing the procurement of materials that have minimal environmental impact throughout their life cycle, including sourcing, production, transportation, and disposal.

Our strategy with Scope 3 emissions focuses on two different strategies: first, engaging with suppliers that prioritize and have demonstrated sustainability initiatives for resource efficiency and circularity, and second, assessing and monitoring year-over-year our top critical suppliers' carbon emissions.

Our main goals:

- By 2030, reduce our scope 3 emissions by 25% based on our 2022 baseline. This is in line with the Science-Based Targets Initiative (SBTi).
- Implement collaborative initiatives with our suppliers that help decarbonize their operations, lowering their carbon intensity.
- Yearly, beginning with our top critical suppliers, increase the number of direct supplier-based emissions, improving the accuracy of our Scope 3 emissions.
- Every year, we want to reward suppliers for sustainability achievements, like awarding Sustainable Supplier of the Year. This incentivizes more sustainable practices among suppliers and strengthens Berlin Packaging's environmental commitment.

2.3.2 Supplier Sustainability Assessments

As part of our supplier partnerships, we work collaboratively to improve all aspects of sustainability across the supply chain. To mainstream sustainability, using comprehensive standards, we encourage our suppliers to perform standard international sustainability and ESG assessments such as EcoVadis or Sedex. With this, we are creating an enabling environment for continuous improvement and transparency along our value chain, identifying gaps and opportunities to unlock the sustainability potential of our supply chain.

We conduct self-assessment questionnaires for our suppliers to gather their information regarding quality and sustainability criteria. Furthermore, we expect our suppliers to comply with our Supplier Code of Conduct (Annex 4.1).

Our main goals:

- 100% adherence to our Supplier code of Conduct
- Year over year, increase the percentage of our critical suppliers that are covered by a valid sustainability assessment (EcoVadis and/or Sedex).
- Improve our suppliers' sustainability ratings through collaboration and support.

2.3.3 Supplier Capacity Building

By investing in the development and empowerment of our suppliers, we not only enhance their capabilities but also foster a culture of collaboration and shared responsibility. Through targeted training and support, we aim to strengthen the resilience and sustainability of our supply chain, driving positive impacts on both environmental and social fronts.

Our main goals:

- Yearly, we aim to host workshops with top suppliers to share best practices, focusing on enhancing efficiency, quality standards, and collaboration to meet Berlin Packaging's requirements effectively.

2.3.4 Climate-Related Risks Disclosure

Berlin Packaging is acutely aware of the pressing environmental challenges posed by climate-related risks, including biodiversity loss and climate impacts identified by the Carbon Disclosure Project (CDP) and the Task Force on Climate-related Financial Disclosures (TCFD). Our Sustainable Procurement Policy is designed to address these challenges head-on by integrating comprehensive measures that mitigate environmental impacts across our supply chain. We prioritize sourcing more sustainable materials, partnering with suppliers committed to sustainability, and fostering practices that conserve biodiversity. By adhering to CDP and TCFD

guidelines, we ensure transparency and accountability in our environmental efforts. This Policy reflects our commitment to environmental stewardship, promoting a sustainable future while maintaining resilience against climate-related risks.

Our main goals:

- Year over year, increase the percentage of our critical suppliers that disclose to CDP.
- Year over year, increase the percentage of our critical suppliers that disclose their Climate-Related Financial Risks.

2.4 SUPPLIER SOCIAL INTEGRITY

Within our Sustainable Procurement Policy, we are committed to upholding and promoting business ethics and human rights as paramount principles of suppliers' social integrity. Recognizing the profound impact supply chains can have on individuals and communities worldwide, we prioritize the protection of human rights throughout our supply chain. From the sourcing of raw materials to the delivery of finished products, we are dedicated to ensuring that our operations do not infringe upon the dignity, safety, or well-being of any individual involved in our supply chain.

Our approach to social integrity within our Procurement Policy is based on two key areas:

- supplier business ethics, which is focused on our expectation that our suppliers comply with our Supplier Code of Conduct, with exemplary behavior in terms of ethics and human rights; and,
- supplier diversity, ensuring that our procurement enables a diverse supply chain, free of discrimination.

Through due diligence mechanisms (aimed at assessing, preventing, and countering negative impacts), risk assessments, and continuous monitoring, we strive to identify and mitigate human rights risks within our supply chain, working towards a future where every individual can work and live free from exploitation or harm.

2.4.1 Supplier Business Ethics and Human Rights

In our Sustainable Procurement Policy, ethical sourcing serves as the cornerstone of our commitment to responsible business practices. We recognize the importance of sourcing materials and products from suppliers that have elevated ethical standards and respect the human rights of their workers. We prioritize suppliers who demonstrate a commitment to fair labor practices, ethical treatment of workers, and more sustainable production methods.

This Policy underscores our commitment to sourcing from suppliers who adhere to internationally recognized human rights standards, as outlined by organizations such as the United Nations and the International Labor Organization.

Through rigorous assessment, collaboration, and adherence to our Supplier Code of Conduct, we aim to foster a culture of fairness, equality, and dignity, both within our organization and across our global supply chain, ensuring that every aspect of our procurement process aligns with our ethical values and contributes positively to the well-being of people and the planet.

Our main goals:

- 100% adherence to our Supplier Code of Conduct
- Year over year, increase the percentage of our critical suppliers that are covered by a valid sustainability assessment (EcoVadis and/or Sedex).

2.4.2 Supplier Diversity

Supplier diversity is a cornerstone principle that reflects our commitment to inclusivity and social responsibility. We recognize the importance of fostering a diverse supply chain that encompasses businesses owned by minorities, women, veterans, and other underrepresented groups. By actively seeking out and partnering with diverse suppliers, we not only promote economic empowerment and opportunities for historically marginalized communities but also enhance our company's resilience, creativity, and competitiveness. Our dedication to supplier diversity extends beyond compliance to embody an initiative-taking effort to create a more equitable and inclusive business ecosystem.

Our main goals:

- Year over year, increase the percentage of spend on suppliers that meet diversity criteria.

3. Berlin Packaging's Continuous Improvement Plan

At Berlin Packaging, our commitment to sustainability extends beyond mere compliance to encompass a culture of continuous improvement. Central to this ethos is our Sustainable Procurement Policy, a dynamic framework designed to evolve and adapt in response to emerging challenges and opportunities.

This Policy serves as a blueprint for driving positive change throughout our supply chain, fostering innovation, and enhancing sustainability practices at every stage of procurement. By implementing a robust continuous improvement plan, we aspire to not only meet but exceed environmental, social, and economic sustainability targets, ensuring that Berlin Packaging remains at the forefront of responsible business practices now and into the future.

To ensure effective implementation and compliance, all procurement-involved employees must adhere to this policy, monitored through regular audits and assessments for continuous improvement and alignment with our sustainability objectives.

Our Sustainable Procurement, and Sustainability leadership teams, will oversee reviewing the progress against the implementation of the strategies outlined in this policy, and periodically (annually), will review the need to update this policy.

4. Appendix

4.1 SUPPLIER CODE OF CONDUCT

View our [Supplier Code of Conduct](#).

4.2 ESG POLICY

View our [ESG Policy](#).