

Version 1 | Last updated: September 2021



Plastic Free and Better Packaging Policy

ESG7



1. Overview

Packaging plays a vital role in protecting products and reducing food waste. Each packaging material has its own functional benefits and varying environmental impacts. While we recognise that plastic packaging is a highly versatile low-cost material; its global, production from fossil fuels, use and disposal has created plastic pollution that affects animals, waterways, the ocean and nature, people and our quality of life today and in the future.

At Upfield our Purpose includes the ambition to use packaging that is free from plastic. We share the concerns of society about the lasting impact of plastic on our planet. That is why we are committed to innovate, test, trial and launch new packaging solutions, that are plastic free and better for the planet and society.

2. Our Commitments

Our Plastic Free & Better Packaging Policy outlines our Commitment to meet consumer, stakeholders', and our Associates' expectations in relation to packaging, which includes:

1. Upfield will innovate to **eliminate** plastic packaging with an ambition for 95% our packaging formats to be **plastic free** by the end of 2030.
2. We will choose alternative solutions that **reduce the climate impact** of our packaging footprint, **increase** our use of **renewable materials (non-food source)**, and **maximise recycled content**.
3. Upfield will **design** packaging to enable **recycling, reuse** or **composting** and clearly **label** packaging to encourage responsible treatment after use.
4. We will continue to source our packaging from suppliers who meet our responsible sourcing policies with 100% of our virgin paper coming from suppliers who have **FSC or PEFC** certification.
5. We will collaborate with industry and government partners, and advocate for effective **recycling, material recovery** and **composting** solutions for our packaging formats.

Our Plastic Free & Better Packaging Policy (hereafter the Policy) articulates how our company will achieve these goals.

3. Our use of packaging

Packaging is critical to ensure our products reach people in high quality condition, can be shipped, and stored safely, and stay fresh to minimise food waste. In 2020, Upfield used 106,000 tonnes of packaging including 48,000 tonnes of plastic,

0.01% of the plastic produced globally¹. In the same year we used 50,000 tonnes of paper and cardboard, with the remainder made from glass, metal, and composite packaging.

The paper and cardboard we use is sustainably sourced and is a renewable material. It can be made with high levels of recycled content. Paper is also one of the more widely recycled packaging materials with comparatively high recycling rates.

Today, we use plastic packaging materials including polypropylene (PP), polyethylene (PE) and polyethylene terephthalate (PET), for tubs, pots, bottles, and sachets. Recycled plastic (r-PET) is included in our plastic bottles, and our tubs are 30% lighter than they were 5 years ago. Whilst generally our plastic packaging formats are made from materials that are recyclable, we recognise that in practice current recycling rates are low, less than 20% globally².

This Policy is designed to improve the environmental footprint of our packaging through elimination, innovation, resource conservation and collaboration. It applies directly to all the primary and secondary packaging we use for our brands.

This Policy applies to our Associates, our sites, and our partners. We will work in collaboration with our packaging partners, stakeholders, governments, and NGOs to implement the following Principles.

4. Our Principles

The Upfield ambition is to eliminate the use of plastic packaging in favor of packaging solutions that are free from plastic and better for the planet. We believe this is the fastest way to stop the plastic pollution problem. In this context we have set the following Principles.

PRINCIPLE 1 - Eliminate plastic packaging formats

Plastic packaging is problematic due to the length of time it stays in the environment and its impact on wildlife and ecosystems. With low recycling rates and minimal intrinsic value, the fastest way we can address plastic pollution is to eliminate as much plastic as possible at source. We will:

- a. Innovate to eliminate our plastic packaging with an ambition to be plastic free by 2030.
- b. Focus first on tubs, wrappers, single serve portion packs and sachets, which represent our largest volumes and least recycled formats, to deliver rapid change where it will make the most difference.
- c. Make science-based decisions on packaging formats supported by expert opinions and lifecycle assessment to maintain food safety and quality and avoid increases in climate impact and food waste.

¹ <https://ourworldindata.org/plastic-pollution>

² <https://www.oecd.org/environment/waste/policy-highlights-improving-plastics-management.pdf>

- d. Not use any of the most problematic plastics and chemicals used in the manufacture of packaging, including PVC and polystyrene.
- e. Use plastic only in exceptional circumstances where there is no safe alternative or in effective closed loop reuse models and continue to optimise all packaging formats.
- f. Avoid single use plastic and maximise reusable and recyclable materials across our offices, supply chains and promotional material.

We acknowledge that, in some circumstances, plastic may currently be a preferable option for some food applications, however we believe that with ambition and innovation we can push the boundaries of what is possible.

PRINCIPLE 2 – Reduce the climate impact of our packaging and use more renewable and recycled materials.

A shift in packaging formats and the elimination of plastic could, if not managed carefully, have other unintended consequences on the environment and climate. We aim to reduce the climate impact of our packaging and contribute to conserving resources by reducing our use of non-renewable materials and increasing recycled content. We will:

- a. Reduce the climate impact of our total packaging footprint.
- b. Use life cycle assessment to understand the environmental impacts of and inform our choices of packaging.
- c. Communicate the climate impacts of packaging formats to help encourage lower impact packaging choices.
- d. Increase the proportion of packaging material from renewable sources including alternative non-food source materials, by 30% by the end of 2030.
- e. Incentivise recycling supply chains by increasing recycled content by 20% by the end of 2025.

PRINCIPLE 3 – Our packaging can be reused, recycled, or composted

By 2030, all the packaging formats we use will be either reusable (and supported by an effective reuse model), recyclable or certified as compostable. We will:

- a. Follow industry standards and supplier declarations to determine recyclability and composability, use external experts test and certify recyclability and composability for new packaging innovation and eliminate materials or additives that impede recycling or composting processes.
- b. Label our packaging clearly to identify the material and preferred disposal route to inform and guide consumers on reuse, recycling, or composting.
- c. Research and trial scalable reuse models that eliminate the need for single use, disposable packaging.

PRINCIPLE 4 – Source our packaging materials responsibly

Our mandatory sourcing policies articulate our expectations of our suppliers with respect to ensuring no deforestation, ethical business practices, environmental standards, labor standards, and respect for human rights. Our policies apply to all our

packaging suppliers.

- a. We will continue to source 100% of our virgin paper from suppliers who meet the FSC or PEFC standards and ensure traceable to country of origin and mill³.
- b. Ensure our packaging suppliers meet our Responsible Sourcing Policy and Supplier Code of Business Principles⁴.

PRINCIPLE 5 – Advocate for and partner to enable effective recycling, reuse, and composting systems, recirculating resources, and avoiding waste and plastic pollution.

- a. We recognise the need to improve recycling and material recovery rates and envisage a system where packaging materials are not wasted but recovered, reused, and composted. We will work with governments, industry, and the waste sector to advocate for effective recycling, material recovery and composting systems.
- b. Participate in cross sector collaborations that address plastic pollution increase recycling and composting collections, addressing food waste and food contaminated packaging, enabling a shift to a circular economy.
- c. Support effective, efficient, and well governed extended producer responsibility schemes.

5. Targets and Implementation Action Plan

To ensure that the Principles on plastic free and better packaging are met, we have put in place a set of tangible targets to track our progress.

- Total amount of plastic eliminated (tonnes and units)
- Reduction in the climate impact of packaging
- % of renewable and recycled material use
- Sustainably sourced packaging materials (FSC PEFC certified)
- % recyclable, reusable or compostable

The baseline year for all targets will be 2020, with a target of the end of 2030, unless stated otherwise.

It is vital that as a responsible business we operate with integrity and are honest about our progress. We will monitor our performance in relation to our plastic free and better packaging policy and will publicly report on our progress.

6. Governance

Upfield's Chief Procurement Officer and Director of Sustainability & ESG are responsible for implementing our Plastic Free and Better Packaging Policy.

³ For further information please see our Statement on Responsibly Sourcing Pulp and Paper. <https://upfield.com/wp-content/uploads/2019/05/Responsible-Sourcing-Policy.pdf>

⁴ <https://upfield.com/about/supplier-centre/> - select Business Partner Code of Conduct

The Compliance Committee includes representatives of Upfield's Board and Executive Committee is involved in the approval process for our Plastic Free and Better Packaging Policy. The Compliance Committee is accountable for Upfield's policy framework.

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