



SIVAGROUP

SIVA Sustainability Presentation



**PRODUCT.
PLANET.
PEOPLE.**

SIVA stands for **sustainability**



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STANDS FOR SUSTAINABILITY

SIVA at a glance

SIVA Group is a major producer of flexible polyethylene packaging. We're defined by our industry-leading products, our production processes, our customers and our people and we're proud to be making a winning difference to them all.

- Family owned and managed
- Founded 1979
- 350 Employees
- Global presence
- Best in class production sites



SIVA is a family business – and that's why we care so much that future families have a world worth inheriting



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SIVA approach to **sustainability**

SIVA strives to be a force for positive change. Sustainability is a key enabler for our business with a clear focus on the three Ps – product, planet and people.

- **Product** indicates our responsibilities in developing sustainable products
- **Planet** refers to our commitment to preserving a sustainable environment
- **People** means our support to a sustainable society



A photograph of an industrial manufacturing process. A large roll of material, possibly a film or fabric, is being processed by machinery. The machinery includes rollers and a mechanical arm with a yellow and black hazard stripe. The scene is dimly lit, with the machinery and material appearing in shades of grey and white.

Product **sustainability** focus



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Product **sustainability** focus

- Improving circularity
- CO₂ footprint reduction

Main levers

- **Design for recycling**
 - Improving circularity & CO₂ footprint reduction (better EOL)
- **Use of recycled material**
 - Limited for direct food contact
 - Improving circularity & CO₂ footprint reduction
- **Material reduction**
 - CO₂ footprint reduction
- **Use of renewable materials**
 - CO₂ footprint reduction

Background information

- **UK Plastics Packaging Tax**
 - £200/tonne for plastic packaging with less than 30% recycled content
 - Material from advanced recycling, such as chemical recycling, does not currently count (mass balance not yet accepted)
 - Similar systems on the way for Spain and Italy
- **Extended Producer Responsibility (EPR) Systems**
 - Various systems in almost all European countries for green dot fees
 - UK EPR system postponed to 2024
- **Key EU Legislation: PPWD (Plastic and Plastic Waste Directive)**
 - CO₂ footprint reduction
- **Use of renewable materials**
 - Ambition of the planned revision: all packaging to be reusable or recyclable by 2030



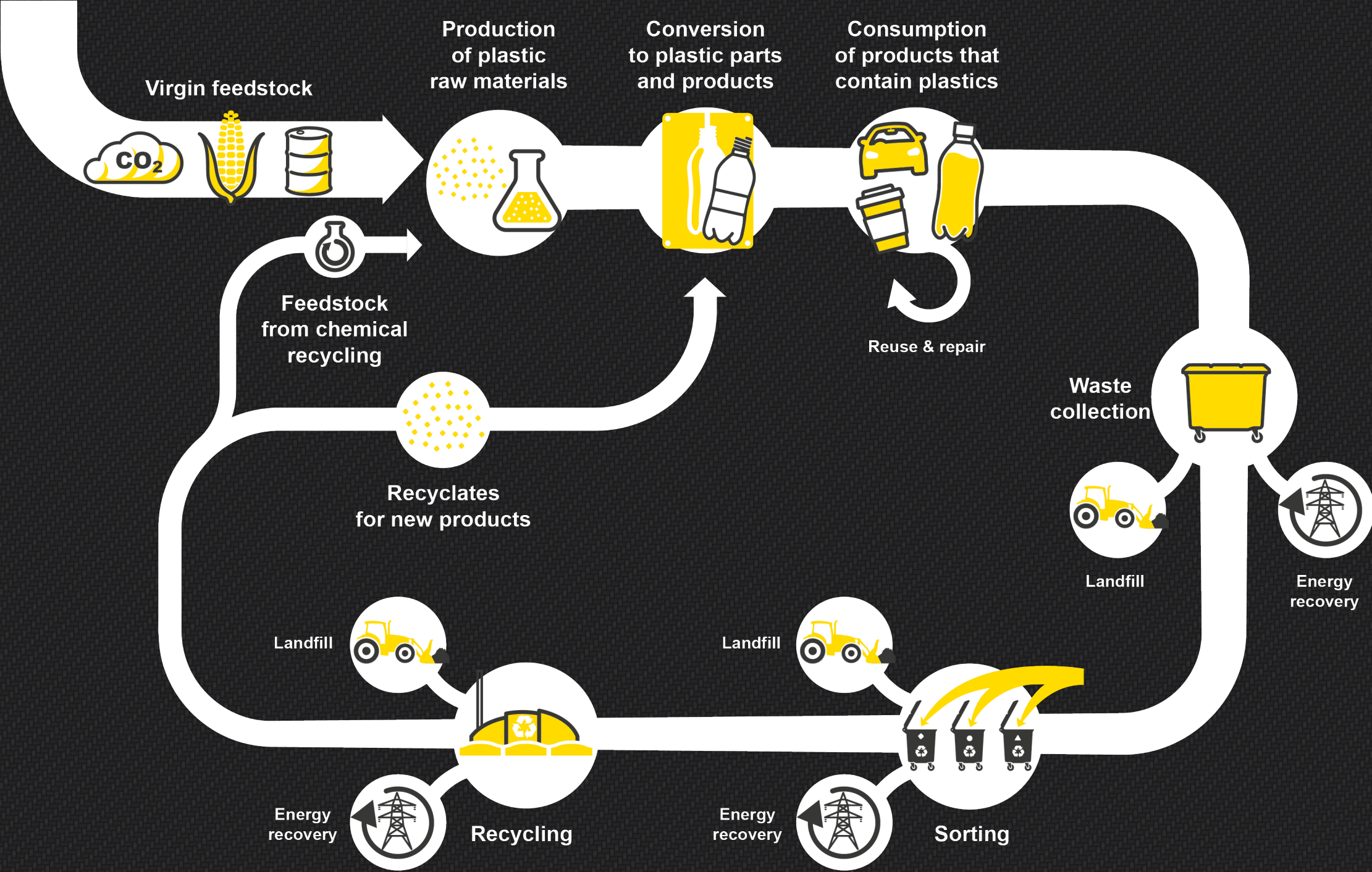
What is meant by Circular Economy – PlasticsEurope

“Currently, the plastic industry is researching alternatives to replace fossil sources with renewable resources and carbon dioxide (CO₂).

New thinking along the value chain – **from product design to recycling** – focuses on...

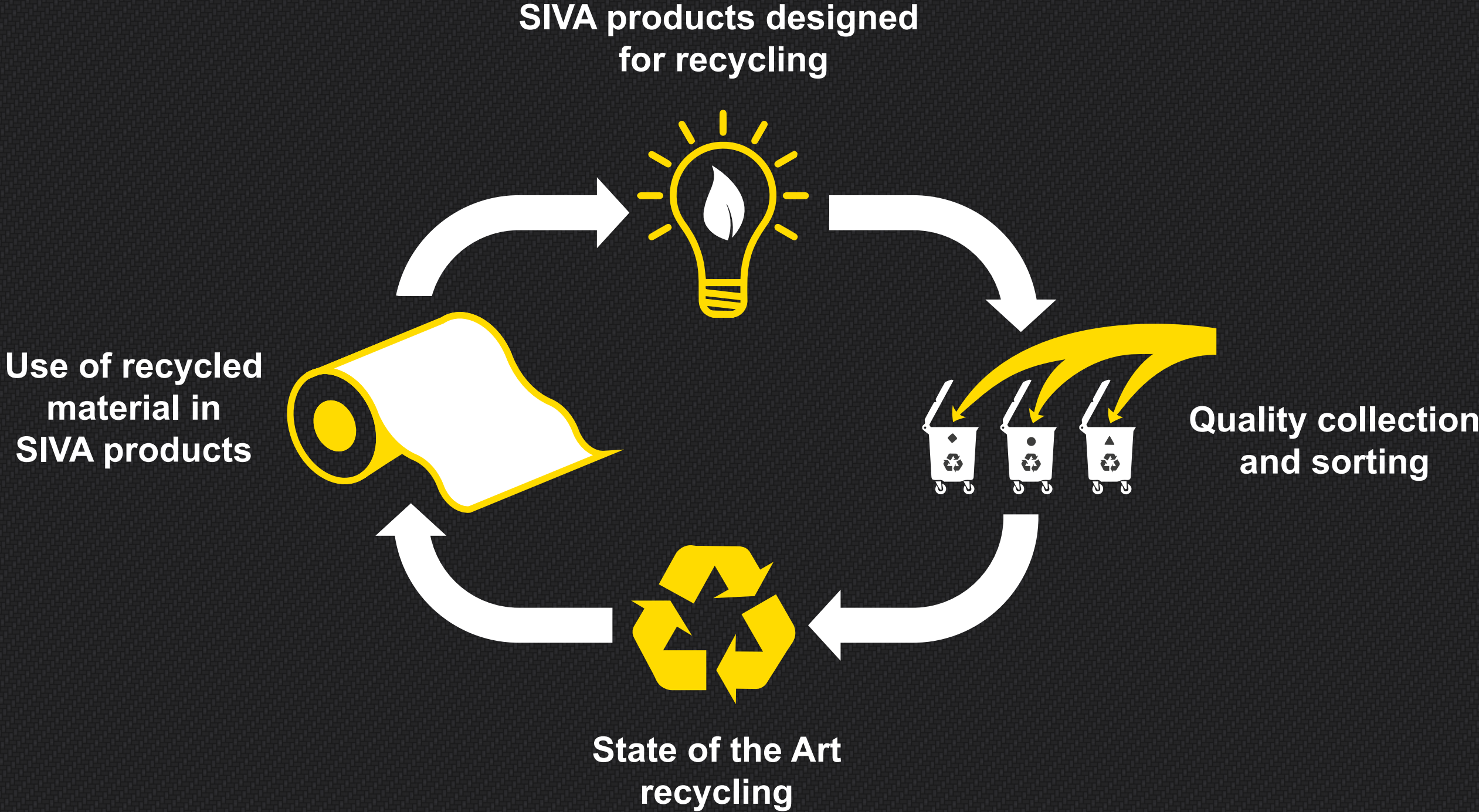
- **Converting more waste into recyclates**
- **Maximising resource efficiency and**
- **Reducing greenhouse gas emissions.”**

What is meant by Circular Economy – PlasticsEurope



Source: PlasticsEurope, 2018

Circular Economy in practice at SIVA



Circular Economy in practice at SIVA

SIVA design for recycling

- All SIVA products are:
 - ✓ Fully recyclable
 - ✓ Made of > 95% PE
 - ✓ Barrier coated films with improved OTR are fully recyclable
- Digimark
 - ✓ Consumer invisible water mark
 - ✓ Facilitating innovative waste sorting systems (e.g. HoliGrail 2.0)

Circular Economy in practice at SIVA

Use of recycled material

- ✓ All non-food UK packaging is produced with minimum 30% recycled content
- ✓ Use of post household PCR
- ✓ Key supplier collaboration to develop food grade mechanically recycled PCR

New company target: Increase the use of recycled and renewable materials from 1.2% in 2020 to > 15% by the end of 2025. Our target for non-food contact packaging is 50% recycled content by 2025.

Investment in 3 state-of-the-art recycling lines to fully recycle all in-house recyclable waste.



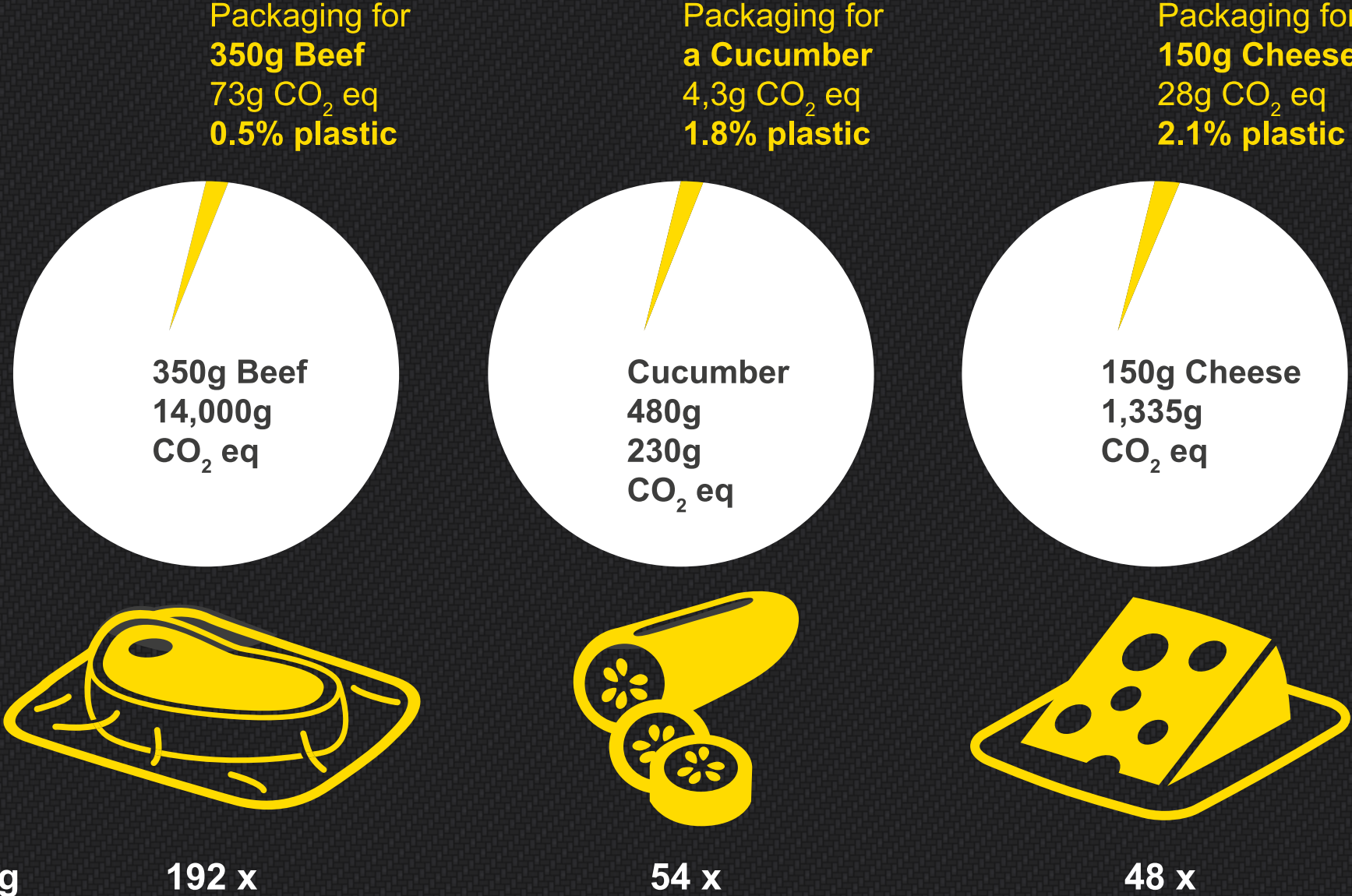
Flexible packaging is **CO₂** efficient



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Packaging has a low CO₂ footprint compared to the packed food

CO₂ Footprint: Food vs packaging



Source: AGVU: Nutzen von Verpackung 2019 / IK

Product CO₂ footprint reduction in practice at SIVA

- **SIVA products with recycled content have only approximately 30% of CO₂ footprint compared to virgin PE products**
- **Fully recyclable SIVA products have a lower CO₂ footprint if recycled mechanically because of better EOL scenario: material recovery vs. incineration or landfill**
- **SIVA value engineering helps clients to reduce their use of plastic by offering thinner, higher yield films with same or improved mechanical properties**





Planet **sustainability** focus

Planet focus refers to our
commitment to preserving a
sustainable environment



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Planet **sustainability** focus

- Protecting natural resources
- Reducing emissions
- Avoiding environmental pollution

Main levers for SIVA Group

- Reduction of greenhouse gas emissions
- Efficient and clean factory operations
- Stop plastic leaking into the environment



Reduction of greenhouse gas emissions in practice at SIVA

**New company target for decarbonisation at SIVA: Reduce scope 1 and scope 2 CO₂ emissions by 90% by the end of 2025 vs 2020.
Intermediate step: SIVA has already achieved 45% reduction in 2022.**

■ Reduce energy consumption

- ✓ LED bulbs installed across all production sites
- ✓ Motion detecting PIR's installed in all offices to turn on/off lights
- ✓ Air locks installed at all entry points to avoid heat loss

■ Investing in new energy efficient technologies

- ✓ Replacing old extrusion lines with latest and highly energy efficient multi-layer extrusion lines
- ✓ Facilitating innovative waste sorting systems (e.g. HoliGrail 2.0)
- ✓ Replace inefficient recycling line with 3 smaller state-of-the-art recycling lines with less energy consumption in total and no waste water generation

Reduction of greenhouse gas emissions in practice at SIVA

- **Support E-mobility**
 - ✓ Fleet of EV and hybrid cars
 - ✓ EV charging stations installed at all sites
 - ✓ Gas FLT's replaced with electric AGV's
- **Reuse heat generated with burning off volatile organic compounds (VOC's) from solvents to reheat production areas**
- **Pledge to move to green electricity by 2025**



Efficient and clean factory operations in practice at SIVA

- Waste solvent is recovered and reused across the plant with minimal sludge sent away for incineration
- Return system and FIFO for inks that are not used in full



Operation Clean Sweep



- ✓ Objective zero pellet loss
 - ✓ Procedures are fully compliant with Operation Clean Sweep
 - ✓ FLT tyre cleaners installed to catch any dirt/pellets at exit points
 - ✓ Pellet catching pots installed throughout loading/unloading yards to capture any accidental pellet spillage
 - ✓ Fully bunded pellet storage yards to capture any accidental spillages
-
- **Quarterly beach clean up in Southampton**
 - **Cleaning teams regularly deployed to local streets for general clean up**



People **sustainability** focus

People focus means our support
to a sustainable society



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People **sustainability** focus

3 key areas

- Employee health & safety
- Employee wellbeing
- Activity in the community



People sustainability focus in practice at SIVA

- **Employee health & safety**

- ✓ Introduction of automation to avoid manual heavy lifting
- ✓ Health & safety barriers installed to demark pedestrian areas
- ✓ Pallet pick/drop off location for AGV's installed to avoid heavy manual pallet movements
- ✓ Fully bunded pellet storage yards to capture any accidental spillages
- ✓ Ink and solvent dispensing stations at different locations throughout the plant to minimize movements of flammables



People sustainability focus in practice at SIVA

■ Employee wellbeing

- ✓ Subsidised restaurant serving high quality, nutritious meals
- ✓ Chilled water fountains to ensure regular hydration throughout the day
- ✓ Subsidised healthcare and gym membership
- ✓ Introduction of adiabatic cooled air into production halls to regulate air temperature

■ Activity in the community

- ✓ Beach clean up in Southampton
- ✓ Cleaning teams regularly deployed to local streets for general clean up

