

2030 SUSTAINABILITY STRATEGY



ONTEX SUSTAINABILITY STRATEGY 2030

Circular solutions
 Our ambition is to move towards a circular business model.



Climate action
 Our ambition is to have climate neutral operations by 2030.



Sustainable supply chain
 Our ambition is to create a positive impact in our supply chain and regenerate natural resources.



Building trust
 Our ambition is to enhance transparency, and lead the way to a fair society.






CLIMATE ACTION

Why it matters

Climate change is no longer a distant threat, but a visible reality.

We believe that climate change is one of the **biggest challenges** that humanity faces. We will see a dramatic sea-level rise, changes in weather patterns, and food and water crises.

The latest IPCC report highlighted the severity of impacts we are already experiencing at 1°C warming and stated that **2°C of warming** is now considered highly dangerous.* Therefore, companies need to increase the resilience of their supply chains and direct operations.

The same report includes urgent recommendations for reducing the emission of GHGs into the atmosphere via rapid transition away from fossil fuels toward renewable energy. It also includes a section for CO2 removal in order to reduce the polluting gases that are already in the atmosphere, in which “**reforestation and ecosystem restoration**” are named as the only methods that are understood to be effective.

About 6 percent of our product carbon footprint is related to the production of a diaper. The remaining 94 percent is in our supply chain, with **raw materials** having the biggest climate impact.

Born at the turn of the century, Gen Z are already entering the workforce and will overtake millennials to become the largest generation of consumers by 2020. While many are still too young to vote, **Gen Z** are already important influencers, engaging companies and governments on a range of social and environmental issues, think about the climate activism initiated by 15-year old Greta Thunberg.



CLIMATE ACTION

Ambition: Climate neutral operations by 2030

#1 Leadership in energy efficiency

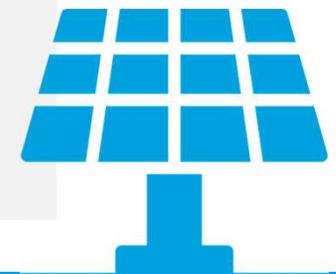
- **Reduce** our absolute scope 1 & 2 **carbon emissions with 50%** by end 2030 (BY2018)
- **Reduce greenhouse gases** and contribute to limiting the global temperature increase to well below 2°C, aiming for 1.5°C, by **enhancing the energy efficiency** in our plants.

#2 100% Renewable energy for our production sites by 2030

- End our dependency on virgin fossil materials and fuels.
- **Increase** the amount of **on-site electricity production** and **purchasing of renewable energy**.

#3 Supporting climate resilience

- Set up **monitoring tools** to measure climate impact in our supply chain and steer toward decreasing its carbon footprint.
- **Support reforestation** in order to enlarge the carbon sinks.





CIRCULAR SOLUTIONS

Why it matters

By 2030, the global population is expected to reach nearly 8.5 billion, with nearly half a billion moving into the middle class.* This means that more and more people will have a chance at a better life. But growing individual prosperity will increase demand for already **constrained natural resources**.

Global awareness about **plastic pollution** and its impact on our ecosystems continues to grow. Several major global coalitions have been announced to tackle the issue. Businesses are experiencing growing pressure from consumers to reduce plastic waste.

China's decision to **ban plastic** and e-waste imports has thrown waste and recycling markets into turmoil, exposing the magnitude of plastic pollution and escalating the urgency to reduce and recycle far more materials.

To address the waste issue, **governments** are increasing pressure to move away from single use products, including diapers, via the 'polluter pays' principle or so-called EPR schemes**. Simultaneously, the EU started banning single use plastics such as straws and cotton buds. More restrictions are to be expected.

While awareness about **biodiversity loss** has been low compared to other sustainable development issues, a growing number of NGOs are working to change it. Public and private organizations alike will face growing expectations to play a more active part in preserving land and marine ecosystems.***



CIRCULAR SOLUTIONS

Ambition: Moving towards a circular business model

#1 Zero production waste to landfill by 2030, turning waste into resources.

- Divert production waste from landfill for all Ontex production sites.

#2 100% of our packaging is recyclable. Commitment to increase renewable and recyclable plastic in our plastic packaging by 2030.

- Offer in each EU market **plastic bags** with a **min of 30% recycled or renewable content** by 2025. All our **cardboard packaging** will have **100% recycled content** by 2025.

#3 Advance circular solutions for our absorbent hygiene products.

- **Reduce oil-based raw materials** and **increase** the use of **bio-based materials**. This also means minimizing production waste and re-designing the products so that they are either biodegradable or are easier to recycle.
- Be part of the solution for the after-use treatment of products.





BUILDING TRUST

Why it matters

Chemicals are essential in our everyday lives as well as in the making of personal hygiene products. Good **chemical management** is crucial to ensure safe use and reuse of materials in a circular system. Customers want to know as much as they can about our products and the ingredients that go in them.

At the same time, their interest goes beyond the product. Consumers want to buy from a **brand they trust**, and which is socially responsible. Safe working conditions, respecting human rights, and ethical business behavior are important for them. It is about doing the right thing.

As a global company, we have an opportunity –and an obligation– to foster collective movement toward **greater diversity and inclusion** through our daily operations and partnerships. We have the ability to directly support gender equality as well as rights and opportunities for children and the elderly, and people with disabilities. We believe each person should be treated fairly and equally and are therefore dedicated to advancing inclusion and promoting diversity.

BUILDING TRUST

Ambion: Enhance transparency & lead the way to a fair society

#1 Zero occupational accidents

- We aim for continuous improvement in occupational health and safety, with the ultimate goal of zero occupational accidents.

#2 We commit to support an inclusive & fair society

Ensure working conditions & human rights are respected throughout daily operations.

- By 2030 all audited Ontex plants have minimum a B score on BSCI audits.
- Promote diversity and equal opportunities.
- Establish the Ontex Foundation to improve people's lives.

#3 Helping our consumers make conscious choices

- Improve transparency towards consumers, customers & investors by communicating the eco/health features of our products via labels & claims, supporting them with expertise on lifecycle assessment & sharing our sustainability progress.
- Enhance transparency on product composition from suppliers towards Ontex and from Ontex towards customers and consumers. We take the next steps in defining limit values for impurities and ensuring these cannot be found above those values, using consumer relevant test methods that will be reviewed and supported by independent experts.





SUSTAINABLE SUPPLY CHAIN

Why it matters

Forests are indispensable. They are our lungs and life-support system, covering 30 percent of Earth's land area and hosting 80 percent of its biodiversity. Forests give us the air we breathe, taking carbon dioxide out of the atmosphere.

Today, the world's forests are in **serious danger from deforestation*** and forest degradation, with a forest area of 1.3 million square kilometers lost between 1990 and 2016; this is the equivalent of 800 football fields of forest lost every hour.

Monitoring **labor practices and human rights** over global supply chains is a business demand. Consumers do not only want a performing product but also want to know where and by whom the product is produced. This topic is particularly relevant for emerging regions in Asia, Middle East and Africa, as well as Latin America.

Transparency, standard certifications, as well as direct collaboration and partnerships across the value chain are expected to take on a greater role in ensuring human rights and social standards. Corporations are expected to increasingly be held liable for human rights violations in supply chains.

*<http://www.fao.org/3/l8661EN/l8661en.pdf>



SUSTAINABLE SUPPLY CHAIN

Ambition: create a positive impact in our supply chain & regenerate natural resources

#1 Promote sustainable forest and land management in order to eliminate forest degradation and deforestation.

- Purchase all agriculture and forestry material from certified suppliers.
- Support forest regeneration.

#2 Respect human rights in our value chain and continuing to ensure the implementation of international labor standards.

- Ontex code of conduct signed by all suppliers.
- Use of a risk-based social audit approach to ensure our suppliers follow our supplier code of conduct.
- Establish the Ontex Foundation to improve people's lives.

#3 Advance animal welfare in our value chain

- Aim to eliminate animal testing as a method of determining product safety.
- Commit not to test our products on animals, and do not ask others to do it for us. Where a regulatory body demands animal testing of ingredients used in our products for its safety or regulatory assessment, we seek alternative testing methods.

ALIGNMENT WITH THE SDGs

Many of the global sustainability challenges and calls for action are described in the UN's Sustainable Development Goals (SDGs). Launched in 2015, the SDGs provide an inspiring framework for collective action. They guide us as we develop the Ontex business, set ambitions, and engage with our partners.

All of the goals are connected, and five goals in particular are important to us and will act as our compass to mobilize change in our work.



WANT TO KNOW MORE?

Visit our dedicated sustainability page at
<http://www.ontex.com/sustainability>

Or contact the sustainability team via
sustainability@ontexglobal.com



THANK YOU

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