

Sustainability Plan

December 2022

OUR CURRENT PRACTICES AND PLAN

Sustainability management

In our Sustainability Policy we describe the importance of sustainability for IG Design Group BV and our supply chain. Sustainability is an integral part of our business. In all our investment decisions sustainability is taken into account and has a high weighing factor.

IG Design Group BV has formed a Sustainability Steering Group that meets every month, since April 2021. This Group consists of key persons of the company:

- Managing Director
- Finance Director
- Creative Director
- QESH Manager
- Operations Director
- HR Director
- (external) CSR Manager

Since January 2021 we have made an external sustainability consultant responsible for sustainability. This CSR Manager can go in depth in sustainable questions and is chairman of the monthly meetings of the Sustainability Steering Group.

The sustainability consultant has the following tasks:

- Supporting the management team with the sustainability policy and goals
- Supporting the project owners
- Chairman of the monthly sustainability committee meetings
- Reporting of these meetings
- Checking the appointments made within the sustainability committee
- Supporting IG Design Group BV with knowledge for specific questions, when needed

In the monthly Sustainability Steering Group meetings the progress of all sustainability projects is discussed and new sustainability developments and ideas are brought in. Reports of these Sustainability Steering Group meetings are available.

Sustainable Development Goals

We have developed a framework to help shape our approach to sustainability to enable us to demonstrate, monitor and improve our performance to drive our business forward sustainably.



Our approach is underpinned by the United Nations Sustainable Development Goals (SDGs). The 17 goals were reviewed and three were identified as areas where IG Design Group can maximise our positive contribution.

In January 2021 the Management Team of IG Design Group BV had a sustainability session, during which the three most impactful SDG's were chosen:

- SDG 3 Good health and well being
- SDG 12 Responsible production and consumption
- SDG 13 Climate action

These three SDG's are the base for our sustainability policy and actions.

Sustainability certificates IG Design Group BV

Since we value sustainability management very high, we have since long obtained several important certificates that support us:

- FSC/PEFC
 - FSC certificate since 2016
 - PEFC certificate since 2017
- ISO 9001
 - Since 2005
 - Our quality management system continuously forces us to stay alert for quality and efficiency
- ISO 14001
 - Since 2015
 - We continuously aim at less energy, less water, less materials, less plastic, recycling, etcetera
- ISO 26000
 - In 2019 a self-declaration was made

Sustainable cooperation in our supply chain

We emphasize the importance of sustainability aspects in our discussions with our customers. We offer them environmentally friendly alternatives for each of our products, thus stimulating them to buy these eco-friendly materials . We also stimulate them to use less packaging as a logical next step, following our own plastic reducing actions.

We also challenge our suppliers to improve their production facilities and products sustainably. We stimulate them to reduce their carbon emissions and increase the use of environmentally friendly materials.

Within IG Design Group BV our managers all are aware of the necessity of taking sustainable steps. In our IG Design Group Academy sustainability is part of the education program. Employees are informed about our sustainability policy and actions. They are asked to contribute by providing us ideas and by



working with environmental awareness. The ideas that are brought up in these trainings are collected by the CSR manager and discussed in the monthly Sustainability Steering Group meetings.

Sustainability is also a theme in each quarterly 'canteen' speech of the general manager, for all employees.

Sustainability projects

The people that work at IG Design Group BV are real do-ers. We rather do than talk. When a smart, sustainable idea arises, we work together, define a project and just do it!

Since we have this hands on mentality, we immediately translated the three key sustainable development goals into several sustainability projects in our company. These projects are part of our sustainability management system. They highly attribute to our sustainability targets.

Underneath you find an overview of the selected three SDG's 3, 12 and 13 and the related projects of IG Design Group EU.

SDG 3 Good health and well being

For our employees we developed the following program:

Motivated and fit employees

- Recently we started our Sustainable Employment Project, to keep our employees healthy and fit
- Our Design Group Academy offers courses and trainings in partnership with various educational institutions

And this is what we do to assure good labour conditions in the factories of our suppliers:

Regular check-ins at our suppliers' factories

- We value good employment practices within our supply chain. We ask all our partners to commit to the BSCI Code of Conduct to ensure social and environmental standards. And we personally check-in at factories to ensure that our materials are produced in a good working environment
- We use a vendor rating system to review our supplier portfolio every year

SDG 12 Responsible consumption and production

We are working continuously on environmental friendly products and less packaging:

- All paper is FSC or PEFC paper
- Gradually decrease the LCA of our paper mix
- Replacing plastic in our handles, tags, bows and ribbons by paper
- Less plastic in our packaging

Our two main SDG 12 projects are:

Less plastic

- We continuously work on diminishing the number of plastic in our products and packaging
- Our most important project is SmartWrap: foil less packing of our gift wrap paper
- In addition we work on the reduction of plastic in our secondary and tertiary packaging. We replace plastic materials, like gift bag handles, tags, bows and ribbons by eco-friendly alternatives. Our objective is to have all consumer and inner packaging made of recycled material and it will be recyclable or even biodegradable. Next to that, all paper we use is FSC or PEFC certified
- These actions also attribute to CO₂-reduction and thus to SDG 13: Climate action

LCA tool

- Together with Delft University of Technology we developed a Life Cycle Assessment (LCA) tool. This enables us to calculate and compare the CO₂-impact of all products components in our Gift Wrap and Bag items. This way we can compare the impact of different components and help our clients to select the best products for their customers and for the environment. We stimulate our suppliers to provide us with detailed information on the environmental aspects, including carbon footprint, of the materials. Based on this information we suggest our customers to buy eco-friendly materials
- These actions also attribute to CO₂-reduction and thus to SDG 13: Climate action

SDG 13 Climate action

Climate action is taken seriously by IG Design Group BV, implying that CO₂ reduction has become a main priority for us.

Underneath we will describe all aspects of our climate actions:

- CO₂-footprint, CO₂ targets and CO₂ management
- CO₂-certification and CO₂-reduction plan
- CO₂-reducing projects

CO₂-footprint, CO₂-targets and CO₂-management

IG Design Group BV has not just declared SDG 13 Climate action as a priority, we also put much effort in incorporating it in our organisation and in our supply chain.

In order to get insight in our CO₂-footprint we asked CE Delft in 2019 to make an inventory of our CO₂-footprint, scope 1, 2 and 3. The results can be found in the table underneath.

Table 1 - Scope 1, 2 and 3 climate change impact, IG Design Group FY 2018-2019

Scope	Area of business	Ton CO ₂ eq.	% of total
Scope 1 and 2	Energy use, printing and rolling (NL)	2,300	4%
	Energy use, other (NL)	900	1%
	Energy use, rolling (PL)	900	1%
Scope 3	Paper (NL)	36,500	59%
	Purchased products (CN)	16,400	27%
	Ink and chemicals (NL)	2,400	4%
	Distribution of products through Europe	1,800	3%
	Packaging materials (NL + PL)	1,600	3%
	Transport of products (CN to NL)	1,400	2%
	Commute personnel (NL)	300	<1%
	Waste treatment (NL + PL)	200	<1%
	Work travel personnel (NL)	200	<1%
	Printing sleeves (NL)	<<100	<<1%
Total^a footprint		65,000	100%

^a Totals may not add up exactly due to rounding.

As the table above shows, 94% of our CO₂-footprint is scope 3.

Our CO₂-reduction target is 25% in 2030 with FY 2019 as a baseline.

Since 2018 we use SmartTrackers as a monitoring system for our CO₂-emissions, scope 1, 2 and 3. The tool also monitors other important KPI's of our company. The Finance Director is responsible for the CO₂-data in SmartTrackers. We monitor the CO₂-emissions of our processes, transport and materials.

We use the Circle of Deming: plan – do – check – act:

- Our CO₂ reduction target is 25% in 2030 (baseline FY 2019)
- We take actions to reduce our CO₂-emissions
- We check our progress
- We take action when needed

Each quarter we share our CO₂-footprint and CO₂-data during the (monthly) meetings of the Sustainability Steering Group. We discuss the CO₂-reducing results of each project and we take additional action if needed to meet our CO₂-reduction target. These actions are SMART: agreements are made with the project owners about:

- The specifications of the action(s) needed
- The expected quantitative result(s)
- The acceptability for the management, the employees and other stakeholders
- The feasibility
- The planning

The CSR manager documents the agreements made and monthly controls the progress in the Sustainability steering group meetings.

We cooperate with renowned experts:

- CE Delft has determined the complete CO₂-footprint of IG Design Group BV in 2019 (scope 1, 2 and 3). They also provide Ecoinvent based data on CO₂-footprints of our materials
- Climate Neutral Group supports us with our CO₂ certification program. We want to claim CO₂ neutrality for our product group 'Gift wrap'. Certification is completed Q1 2022)

CO₂ certification and CO₂-reduction plan

So, recently we have taken a big step: we started a certification program with Climate Neutral Group in order to claim all the gift wrap paper of IG Design Group climate neutral. This certification program i.e. comprises a CO₂-reduction plan and offset of the remaining CO₂-emissions. This climate neutral claim of gift wrap paper is completed in April 2022.

In 2022 we decided to extend the scope of CO₂-certification with gift bags. The annual audit by Ecocert thus takes this product group in account as well.

We aim for at least 25% CO₂-reduction in 2030. An ambitious CO-reduction plan has been developed. A longlist is made of all possible measures for scope 1, 2 and 3. A shortlist is made of the measures with the largest CO₂-reducing impact. Smarttrackers is used to monitor the progress.

See Reduction plan in Teams for details.

CO₂-reducing actions and projects

As was said earlier: the people working at IG Design Group are do-ers. That is why we continuously work on CO₂-reduction. Within our building and processes we pay much attention to energy saving in heating, lights and machinery and to reduction of spillage of materials.

We also defined several CO₂-reducing projects, each with a clear goal and a project owner. Our main CO₂-reducing projects are:

SmartWrap: Foilless gift wrap paper

- As described above we developed SmartWrap, which attributes to a huge reduction of the amount of foil we use
- This also implies a large reduction in CO₂-emissions, due to the fact that foil shrink tunnels are not needed anymore

SmartSupply: CO₂-reduction by our suppliers

- Since partnership is important for IG Design Group BV we challenge our suppliers to reduce their CO₂-emissions along with us. We systematically demand information about their climate policy and actions concerning CO₂-reduction in their processes and/or materials
- Together we continuously work on a reduction of the emission factor: ton CO₂ per ton paper

Bags production at plant in Hooqveen, The Netherlands

- We are investigating the production of gift bags in Hooqveen instead of in Asia, thus reducing transport kilometres and related CO₂-emissions

SmartTrackers: CO₂-monitoring

- Each three months (4 times/year) SmartTrackers is filled with CO₂-data
- Emission factors of materials are updated continuously, in cooperation with suppliers
- These emission factors can be found in Smarttrackers. Assumptions are reported in Teams
- Each three months results are checked and evaluated. Actions are determined

All CO₂-monitoring data can be found in Smarttrackers and in Teams.

RESPONSIBILITIES

It shall be the responsibility of the IG Design Group Management Team and the Sustainability Steering Group to establish, review and maintain this plan and to bring this plan into effect, in line with the Sustainability policy.

This plan and the obligations and responsibilities required by the environmental management system have been communicated to all members of the Sustainability Steering Group.

This plan will be reviewed regularly.

Joost Bogers

Managing Director

December 2022