

Tetra Pak

Responsible Sourcing of Renewable Polymers Procedure

Owner: EVP, Sustainability & Communications
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1. This document supports

[Tetra Pak Environmental Policy](#)

2. Introduction

Tetra Pak carton-based packages have thin layers of polymers, or plastic, to prevent moisture from penetrating the paperboard and to keep the contents fresh. It is also used in our caps, closures, and straws. Our long-term ambition is to offer all our packages with polymers made from renewable or recycled feedstock as alternatives to fossil-based plastics. This is part of our 2030 strategy and aligns with our public pledge to the EU Plastics Strategy.

Our position on renewable polymers is that they shall always be certified with a credible sustainability certification¹. Although we do not own or manage any agricultural biomass or other renewable feedstock production, we apply our purchasing power to drive responsible resource management upstream in our value chain. By setting requirements for responsible sourcing, we help to ensure that biodiversity and ecosystem services are maintained, negative human rights impacts are avoided, and social benefits are created from responsible material stewardship.

Responsible sourcing is one of the strategic objectives for Tetra Pak, reflected in our Procurement Policy. All managed suppliers are required to sign and comply with the Tetra Pak Code of Business Conduct for Suppliers (the “Supplier Code”)². The Supplier Code defines our requirements in the areas of human rights, labour standards, health and safety, environment, and business ethics. More stringent and specific requirements are in place for our base materials suppliers as we buy substantial amounts each year and as the impact of

¹ We define credible certification schemes as those that are members of ISEAL and compliant with [ISEAL Code of Good Practice](#).

² Tetra Pak defines vendors with annual spend €5k or less as “non-managed”

our base materials constitutes a big part of Tetra Pak's overall impact on the environment, e.g., CO₂ emissions.

3. Applicability

This document outlines our requirements specifically applicable to renewable polymer sourcing. It is directed at Tetra Pak suppliers as well as Tetra Pak employees.

Tetra Pak expects all suppliers of renewable polymer to comply with this Procedure, which is attached to every contract signed by both parties. In the case of non-compliance with the requirements of the Procedure, Tetra Pak will work with the supplier to develop and implement an appropriate corrective action plan. Tetra Pak reserves the right to terminate the agreement if the Supplier continues to fail to comply with the requirements.

Tetra Pak will ensure that all employees involved in our renewable polymer sourcing are aware of the Procedure and its commitments, and that they are given appropriate training to allow its full implementation.

4. Policy

N/A

5. Procedure

Tetra Pak has committed to [net zero emissions](#) and no deforestation and forced labour throughout our supply chain, as outlined in our [Environmental Policy](#) and [Good Governance Framework](#). Tetra Pak is committed to the following objectives in its responsible sourcing of renewable polymers:

- Full traceability³ for our raw materials
- Credible sustainability certification and third-party verification⁴ of renewable polymers and their feedstock
- Production of material should not cause deforestation
- Enhancing biodiversity and natural capital

5.1. Identifying the risks and opportunities of renewable polymer sourcing

In 2021, Tetra Pak renewable polymers accounted for about 8 percent of our total polymer sourcing. We have set a target of 20 percent renewable and/or recycled content in the polymers we source (by weight of sourced volumes) worldwide by 2025. By increasing the use of renewable materials, we help reduce greenhouse gas emissions, as well as decouple growth from the consumption of finite resources.

At the same time, we acknowledge the potential environmental and social cost that can come from producing the feedstock used for renewable polymers if done unsustainably. It is widely recognised that land-use is one of the primary drivers of climate change and loss of nature, which result in severe degradation and loss of ecosystem services at the global scale.

³ Defined as at a minimum traceable to the level of primary processor (e.g., to a sugarcane mill), but preferably to the level of farm, estate, plantation, or forest management unit.

⁴ We define credible certification schemes as those that are members of ISEAL and compliant with [ISEAL Code of Good Practice](#).

To meet our commitments for sustainable sourcing of renewable polymers, we carefully select our suppliers with the aim of minimising negative environmental and social impacts. As a part of this selection process, we evaluate different aspects of sustainability, such as impact on land use change and biodiversity, carbon footprint, water footprint, and impacts on workers, indigenous and/or local communities.

We work with independent, third-party certification and conduct independent sourcing intelligence studies to assess and mitigate risk. Sourcing intelligence studies are carried out for all new suppliers. It is also conducted if there are any major changes in the supply chain of current suppliers.

5.2. Minimum requirements for renewable polymer sourcing

Based on the [Preferred by Nature Sustainability Framework](#), the core principles of the [Accountability Framework Initiative](#) and the [UN Global Compact](#) and [UN and ILO Conventions](#), Tetra Pak has established minimum requirements that go beyond applicable legislation, which we require suppliers of renewable polymer to comply with.

Suppliers delivering renewable polymer to Tetra Pak must ensure:

- Compliance with applicable legislation
- Respect for all human rights⁵
- Respect for the rights of indigenous peoples and local communities, including adherence to the principles of Free, Prior and Informed Consent when activities affect indigenous and local communities.⁶
- Respect for workers' rights⁷
- No deforestation or conversion of natural ecosystems after 1st of January 2008
- Maintenance of biodiversity and high conservation values⁸
- Responsible use of agrochemicals⁹
- Responsible management of soil and water¹⁰
- Minimising negative impacts on air quality
- Safeguarding food security for local communities¹¹

5.3. Implementation of our requirements

The Supplier Code of Tetra Pak sets mandatory requirements for all suppliers and their sub-suppliers that enter into any agreement with Tetra Pak. It reflects our participation in the UN Global Compact and its ten principles in the areas of human rights, labour, environment, and anti-corruption. We require suppliers to comply with our Supplier Code, which is attached to every contract signed by both parties¹². To ensure compliance with the Supplier Code, we have put in place a Responsible Sourcing programme, applicable to all procurement categories. The programme includes the risk mapping of our supplier base, sustainability evaluations using the EcoVadis platform, SMETA on-site or virtual audits conducted by Sedex accredited audit firms, and corrective actions to drive continuous improvement.

As part of our supply contracts, besides our Supplier Code of Conduct, we require suppliers:

⁵ As defined in [UN Global Compact Principles](#) and [UN Guiding Principles on Business and Human Rights](#)

⁶ As defined in the [Accountability Framework Core Principles](#) and ILO Indigenous and Tribal Peoples Convention

⁷ As defined in the [UN Global Compact Principles](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#)

⁸ As defined in the [Preferred by Nature Sustainability Framework](#)

⁹ As defined in the [Preferred by Nature Sustainability Framework](#)

¹⁰ As defined in the [Preferred by Nature Sustainability Framework](#)

¹¹ As defined in the [Accountability Framework Core Principles](#)

¹² Excludes suppliers with spending less than 5000 EUR

- To only deliver renewable polymer with credible certification, accredited in line with the ISEAL Code of Good Practice.
- To provide full traceability and supply chain transparency for the renewable polymer volumes delivered to us, at the minimum to the level of primary processor, but preferably to the level of farm, estate, plantation, or forest management unit. Suppliers are required to inform us about changes in their supply chain.
- To establish and implement independently verified supplier sourcing programs for all feedstock used in the renewable polymers we receive to verify sustainability performance and Tetra Pak minimum requirements at the feedstock origin.

The compliance with the above requirements is verified through:

- Full third-party certification of the delivered polymer volumes
- Annual supplier questionnaire to verify implementation of the supplier sourcing program
- Tetra Pak's supply chain intelligence programme

This Procedure is reviewed as necessary and at a minimum on an annual basis to ensure it is aligned with the best practices. We set targets for the renewable polymer share of total sourcing in our 2030 strategy and report the targets and our performance linked to this Procedure in the annual sustainability report.

5.4. Stakeholder dialogue and public reporting

Tetra Pak will work with relevant stakeholders to further develop and enhance this Procedure. Our progress in implementing the goals outlined in this Procedure is published in our annual sustainability report, which is publicly available.

Supplier engagement programme: The supplier engagement program of Tetra Pak “Join us in protecting the planet”, calls out sustainability actions for suppliers to work towards between now and 2030. Our focus is on long-term supplier relationships.

Bonsucro: Tetra Pak has been Bonsucro Chain of Custody certified since October 2019. We annually set targets for the certified share of total renewable polymer we source through our supplier performance process. As from March 2020 all Tetra Pak products made of renewable polymers are delivered to customers as Bonsucro certified.

Preferred by Nature: We apply the comprehensive and exhaustive methodology of the Preferred by Nature Sustainability Framework for our supply chain intelligence programme on our renewable polymers. We completed our first supply chain study in 2020.

The Consumer Goods Forum: The Consumer Goods Forum has committed to support the New York Declaration on Forests, which sets the bold macro goal of cutting natural forest loss globally by half by 2020 and striving to end it by 2030. Tetra Pak is a member of the Consumer Goods Forum.

UN Global Compact: We support and have requirements on the UN Global Compact and its ten principles, to which we have been a signatory since 2004, in the areas of human rights, labour, environment, and anti-corruption.

6. Definitions

Biomass: From biological origin, for example from plants [Source: Adapted from [EN 16575:2014](#)].

Deforestation: Loss of natural forest as a result of i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation. [Source: [Accountability Framework Initiative](#)]

Conversion of a natural ecosystem: Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function. A natural ecosystem is an ecosystem that resembles – in terms of species composition, structure, and ecological function – one that is or would be found in each area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species' composition, structure, and ecological function are present [Source: Adapted from [Accountability Framework Initiative](#)].

Ecosystem services: The benefits that nature provides to people. They include services such as pollination of crops, prevention of soil erosion and water purification, and cultural services, like recreation [Source: [IUCN](#)]

Feedstock: Raw material used for processing or manufacturing another product, such as sugarcane biomass destined for conversion to the bioethanol used to make our renewable polymers.

Food security: Ensure that, prior to any activity that may affect indigenous peoples' and local communities' food security, their free, prior, and informed consent is secured. [Source: [Accountability Framework Initiative](#)]

Free, prior and informed consent: a collective human right of Indigenous Peoples and Local Communities to give or withhold their consent prior to the commencement of any activity that may affect them [Source: [Accountability Framework Initiative](#)]

High conservation values (HCVs): HCVs are biological, ecological, social, or cultural values of outstanding significance at the national, regional, or global level or of critical importance at the local level [Source: [The HCV Network](#)]

Land use: Characterised by the arrangements, activities, and inputs by people to produce, change or maintain a certain land cover type, such as urbanisation, arable fields, pastures, and managed woods [Source: [UN FAO/UNEP](#)]

Primary processor: A business, cooperative, or other entity that conducts the first stage of processing after an agricultural or forestry raw material is harvested. Examples include palm oil mills, slaughterhouses, oilseed aggregation and crushing sites, coffee wet milling facilities, and sawmills processing logs into lumber. [Source: [Accountability Framework Initiative](#)]

Renewable material: Material that is composed of biomass, such as sugarcane or wood, and that can be continually replenished [Source: Adapted from [EN 16575:2014](#)].

Traceability: Renewable materials can be traced at the minimum to the level of primary processor, but preferably to the level of farm, estate, plantation, or forest management unit.

7. Supporting documents

N/A

8. Governance

Each Business Area, Corporate Function, Market and its Head or Managing Director is fully responsible for implementation and enforcement of this procedure in their respective organisation(s).

All employees must comply with this procedure. Assurance activities such as control self-assessments, process reviews, audits etc. may be conducted to measure compliance with this and any other policy/procedure in order to manage the related risk.

Any deviations must be approved by the policy/procedure owner, following the Exception Process and reported in the Exception & Explain Item tool.

To raise a concern regarding a violation and an actual or alleged illegal or dishonest activity, see Whistle Blowing.