

Introduction

Sustainability is an important concept these days. Corporations, consumers and governments alike have come to realise its importance. It is no longer just desirable for us to make our society more sustainable, but absolutely necessary.

The degree to which humanity has burdened nature, the environment and the planet over time is starting to take its toll. Temperatures are rising, with terrible consequences, such as the melting of the polar caps and extreme weather conditions, including equally unprecedented droughts and rainfall. All of this is endangering global food production and causing species to go extinct. All of these are aspects of climate change that are bound to affect humanity. We can no longer afford to let this happen.

The fact that we need to treat the planet (and everything on it) differently, and most of all better, is no longer up for debate. It hasn't been for a long time, as far as we're concerned. We have to strive for sustainability in all things and particularly when it comes to entrepreneurship. Not tomorrow, not today even, but yesterday.

We at Zakkencentrale Group are well aware of the situation. This document contains an open, honest account of our experiences with sustainability. It details the activities and measures we have undertaken so far, and will continue to undertake, to ensure that our business operates in accordance with the tenets of sustainable entrepreneurship. We don't pretend that we're already successfully sustainable on all fronts. More than anything, this document serves to illustrate the way in which we, the management board, stakeholders and employees alike, are working towards sustainability. Now and in the near future. Humanity only has one planet and we feel that future generations should be able to enjoy a healthy future on that planet.

If you have any questions or comments after reading this document, please feel free to contact us.

Harm Peters,

Director

Introduction

This document contains Zakkencentrale Group's vision regarding sustainable entrepreneurship. This is our honest story and we would be the first to remark that we have both a lot more to learn and a lot more to do. That is our honest desire and so that is what we will aim to do, as we have for the past 100 years. This document also contains some more general aspects with regard to sustainability, as opposed to being a mere list of our efforts. For the sake of readability, this document consists of the following chapters.

- 1) Sustainability: why?
 - a) The environment
 - b) Legislation and regulations
 - c) Society
- 2) How can we be more sustainable
- 3) Our sustainability efforts, now and in the future
- 4) Closing words

1. Sustainability: why?

We feel that sustainability must be a core part of genuine Corporate Social Responsibility. When we say 'genuine', we mean that you cannot merely say it to be fashionable, but that you have to put your money where your mouth is. Sustainability should be our dogma. As far as we are concerned, that is the only way to handle the topic of sustainability.

There are three reasons for pursuing sustainability:

- a) **The environment**
- b) **Legislation and regulations**
- c) **Society**

a) **The environment**

The fact that our planet is under immense strain needs no further explanation. We have been subjected to unprecedented droughts and rainfall alike, the polar ice caps are melting and both flora and fauna species are going extinct. All of these are consequences of climate change. Humanity is both the main perpetrator as well as one of the victims of this process and the effects climate change have on us will continue to grow over time. The planet is becoming increasingly inhospitable, even for humans, not to mention the threat of ever-increasing food shortages due to climate change.

Long story short, climate change is a threat to Earth's future. This insight finally led to the Paris Agreement. This is an international treaty to combat climate change and was presented at the UN Climate Change Conference in Paris on 12 December 2015. The EU's response is called the European Green Deal. This Green Deal is intended to turn the EU into a modern, competitive, renewable economy in coming years.

b) **Legislation and regulations**

A lot of new environmental legislation and regulations have been passed in recent years. One example is the Dutch climate act, a result of the European Green Deal. It outlines the aim to reduce nitrogen emissions to zero by 2050. These are neither empty words nor a fancy ambition to strive towards. They are actual legal requirements, partly imposed due to the case brought to court by the climate lobbying organisation Urgenda. In 2013, Urgenda filed a lawsuit against the Dutch government to force our country to accelerate the process of reducing greenhouse gasses. In 2015, the court ruled in Urgenda's favour. An appeal followed, which was once again ruled in the plaintiff's favour in 2018. Twice over, the courts decreed that the Dutch government has an obligation to protect and improve the people's living environment, making that ruling final.

In September 2021, the Dutch House of Representatives received a draft decree that could grant municipalities the right to mandate the installation of solar panels on industrial buildings. This means that municipalities would have the authority to require newly constructed industrial buildings, as well

as existing industrial buildings, to use the roof's surface to generate renewable energy, or at least impose measures for climate adaptation.

The corporate world should expect follow-up legislation that will further dictate the reduction of nitrogen (N₂) and carbon dioxide (CO₂).

c) Society

The latest Sustainability Report shows that almost half of all Dutch consumers (46%) feel that sustainable entrepreneurship and corporate responsibility are important aspects to consider when purchasing products or services. 36% are willing to pay more for a sustainable option and this percentage has been steadily rising over many years. Conversely, two thirds of all consumers are not willing to pay extra for sustainable products, while 70% think that sustainability will become the standard within the next five years, regardless of the product.

Throwing terms like 'sustainability' around is not enough. On the contrary. The concept of 'sustainability' is often used (rather, misused) as a catch-all term in marketing, resulting in a lot of distrust amongst consumers.

That's why it's important for companies to share openly and honestly how they are trying to contribute to a better world. "Show what you're working on. Even if you're not always successful." That helps generate trust.

Conscious consumers are not okay with being fooled, and are happy to purchase from companies that are open about taking responsibility and working towards a better world. As Solidaridad says: Companies must become a part of the solution. After all, honesty is the best policy. And even that is very sustainable.

Honesty will become the standard which consumers demand. The societal pressure on companies to open up about what they're actually doing to become more sustainable is steadily rising. That is what corporate social responsibility is really about.

2. How can we be more sustainable

'Sustainable' means minimising your impact on the environment as much as possible. This includes reducing the use of power and fossil fuels in particular. Generally speaking, sustainability involves an economic development towards less dependency on finite natural resources. As these resources are finite and the use thereof is a strain on the environment (both in terms of pollution and rising temperatures), sustainability is no longer just an option. Every one of us, consumers, companies, organisations and governments alike, can take steps to become more sustainable. Such as:

- Insulating your office building, warehouse or home;
- Making more effective use of space (such as with roofs that generate renewable energy);
- Using renewable energy sources, such as wind and solar, instead of fossil fuels;
- Using energy-efficient equipment;
- Using recyclable materials (glass, wood, plastic, etc.);
- Separating waste so that materials can be reused, resulting in less residual waste;

- Consuming less meat and more plant-based options;
- Fixing things instead of replacing them with a new item right away;
- Using more public transport and flying less.

There are undoubtedly many more options, specifically for individual consumers to change their behaviour (see cherrycharlie.nl).

3. Our sustainability efforts

Zakkencentrale Group has been striving towards being more sustainable for many years now. For us, sustainability is more than just a buzzword. We're currently working on a new website, which we will use to make our brochures available digitally so that we can reduce our paper consumption. After all, our motto is 'packaging a sustainable world'.

What we've done so far

We've already taken some important steps to become more sustainable.

- In 2011, we insulated the roof of our entire warehouse and office building. In doing so, we achieved a sizeable reduction in our power usage for both heating in winter as for cooling in summer.
- As of 2015, we have been using mostly hybrid vehicles. This has helped us minimise our fossil fuel usage and reduce our CO2 emissions.
- In 2019, our warehouse and offices were equipped with LED lighting, once again considerably reducing our power consumption.
- As per company policy, we limit the use of water and paper and the production of residual waste as much as possible.
- We have also been pursuing sustainable partnerships for many years now. We engage in long-term partnerships with companies who value sustainability as much as we do. This applies to manufacturers, suppliers and carriers alike. To ensure this, we've drafted a sustainability statement. In summary, the statement declares the following:
 - that we only partner up with manufacturers who can demonstrate the fact that they take responsibility for their impact on the environment;
 - that our manufacturers and suppliers only use approved and registered raw materials that have no, or less of, an impact on the environment;
 - that the impact on the environment throughout production and transport is limited as much as possible;
 - that the use of fossil fuels and finite resources is limited as much as possible.

Now and in the future

We're working towards sustainability every single day, as we have been doing for over 100 years. There is, however, always room for improvement. Some of the more far-reaching measures we are currently working on include:

- Any trucks that need replacing are replaced by electric vehicles;
- We aim to make our products more lightweight, reducing material usage and waste;
- If possible, the raw materials we use to make our products are replaced by 100% biologically degradable materials;
- As for our Big Bags, our aim is to be using at least 30% PCR (Post Consumer Recycled) materials in 4 years' time;
- Using more recyclable or recycled (raw) materials to create new and innovative products.

4. Closing words

In this document, we presented our view regarding sustainable entrepreneurship. Naturally, we will always abide by any and all regulations and legislation that is put into effect. We want to be more proactive though, instead of just following the rules. That is why we've already implemented some far-reaching measures. And we will continue to do so.

We haven't managed to become fully sustainable and have zero carbon footprint just yet.

However, that is our aim and we are hard at work to achieve it: ***packaging a sustainable world!***