



Environmental Sustainability Policy



As a company engaged in the production of plastic packaging solutions for the pharma industry, we see great responsibility in implementing innovation, thinking and working together with all our stakeholders, to promote solutions to reduce the environmental impacts of this raw material on the planet. In addition, as an organization engaged in the field for about 50 years, we have experience, knowledge and collaborations that can help formulate solutions that enable the use of packaging that address consumer needs, safety of stored materials and prevention of external environmental damage - along with reducing the environmental impact of packaging itself.

Plastic is a polluting material, but it also has many benefits - from the consumption of energy needed to process it, to the continued emission of greenhouse gases generated in the process to the weight and transportation costs of the final packaging. Therefore, it is necessary to find ways to maximize its recycling capabilities to eliminate its harmful environmental impact and still enjoy the benefits it provides to cosmetics, food and pharmaceuticals goods. To this end - we strive to examine and implement solutions that can help ensure a fully **circular economy**, taking into account all existing restrictions and limitations. We set ourselves to meet the goal of **100% recyclable products by 2035**.

As a manufacturing company, we work to reduce our environmental impacts throughout our value chain - in our factories, with our customers, our suppliers and, as mentioned - in our products. We are constantly working to comply with all environmental regulations and laws and implement strict beyond compliance approach. Therefore, we have set ourselves a target of **Net Zero Carbon Emissions in all our operations and products by 2035**. To this end, we work on several dimensions:

Reducing the environmental impact of our products

We operate in a particularly challenging environment that depends on the existing recycling infrastructure, regulation and relevant needs for maintaining the quality and safety of the contents of our storage packaging products, the cooperation of customers and consumers and most importantly - innovation in developing new raw materials that address these challenges.

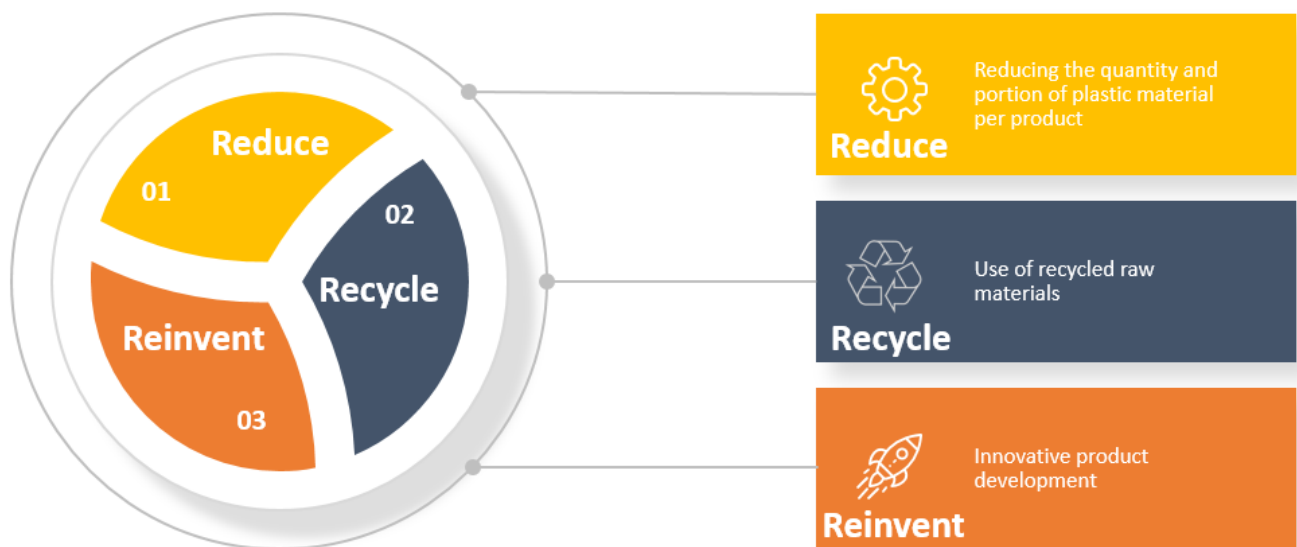
LOG has adopted the definition of **recyclable materials** according to international standards (ISO 14021, ISO 18604):

“Characteristic of product, packaging, or associated component that can be diverted from waste stream through available processes and programs and can be collected, processed, and returned to use in the form of raw materials or products”

To this end, recycling must be ensured as defined:

- Existence of a system for collecting and separating the material for recycling purposes
- Existence of a recycling process that will prepare the material for the production of a new product
- Existence of a market that will absorb the recycled material for the purpose of manufacturing products

We have formulated a strategy for developing an improved product line that addresses these challenges - the **LOGreen strategy** which based on three selected Rs - Reduction, Recycling and Reinventing:



As a company that promotes innovation, we invite start-ups in the field to contact us in order to examine the possibility of cooperation and examine the new technologies in our factory as a beta-site for innovation. We seek to help new technologies enable the industry to promote breaking-through solutions through the **PlasticTech** accelerator.

We are committed to working towards forming collaborations with leading entities that promote a circular economy and possess knowledge, tools and experience in the field such as the Alan MacArthur Foundation, academic bodies, BASF and others.

We are committed to continuous learning and improvement for a more sustainable and recyclable products using international standards (such as ISO 16001), leading manuals such as the RECYCLASS manual maintained by the European Plastic Recyclers Association and conducting frequent recycling compatibility tests.

Reducing the environmental impact of our production sites

We are committed to reducing our energy consumption in all our activities, through the adoption of environmentally friendly conduct and investment in energy-efficient equipment. In recent years, we have promoted the use of renewable energy by installing a solar field at our production site in Israel and we will continue to work to integrate renewable energy solutions in all our sites.

We treat all the waste that comes out of our factories and direct significant portions to recycling plants and suppliers that help us ensure a circular economy implementation. We operate according to the "reduction, recycling, reuse" approach in all our facilities, and are constantly looking for practical and innovative ways to avoid transforming our waste to landfill.

We do not work with hazardous materials and that is why we do not pollute – not by air or by wastewater.

As part of our activities, we strive to minimize water use and recycle water as much as possible. We have reduced the use of water to the required minimum and will continue to search for ways to improve water us in our facilities.

We will work to improve our internal processes so that we can return self-shredded material back to production in order to promote recovery of raw materials, based on quality approval per process.

The climate crisis increases the likelihood of recurrence of environmental extreme events. We, at LOG, examine the implication of the impact of these risks on our operations and we search for ways to prepare accordingly. At the same time, we are examining opportunities in the field.

Enhancing our employees environmental efforts

In order to ensure that our approach of promoting environmental sustainability succeeds, we are required to ensure the full cooperation of our employees - who are the source of our success. To this end, we work to promote environmental awareness among employees, communicate the importance we see in our work in the field and ensure that everyone recognizes our efforts

We work to apply the principles of reducing our environmental impact in factories, at headquarters but also provide employees with knowledge and tools for self-implementation, among family and friends.

Supporting our customer's efforts to reduce product's environmental impact

We are committed to working with our customers to develop integrated solutions tailored to the needs of all involved as well as the needs of the planet. To this end, we will promote proactive initiatives for joint thinking with our customers about ways to improve products that implement our shared environmental sustainability approach.

We offer cooperation and support to our customers' moves to reduce their environmental impact by sharing the knowledge and experience we have accumulated in the field and therefore, offer guidance on prints on packaging, use of advertising sleeves, colors and more - so as not to impair the recycling capabilities of packaging products. We also encourage our customers to add the recycling symbols on the packaging in order to encourage and guide consumers how to recycle optimally.

Empowering our suppliers to improve their environmental practices

We are committed to advancing the concept of environmental sustainability among our suppliers, expecting them to demonstrate a responsible attitude towards the environment and inviting them to join forces and in order to a more significant environmental impact together.

Ensuring policy implementation

- LOG's activities to reduce its environmental impacts supervised by the ESG Steering Committee established by a leading team of managers in the company and chaired by the company's CEO.
- LOGreen strategy managed by the VP of Research and Development.
- The environmental impacts of our production sites managed by the factory managers.
- The corporate's 'green culture' managed by the VP of Human Resources.
- Encouraging environmental sustainability with our suppliers managed by the Procurement manager.

Scope

LOG's Environmental Sustainability policy serves as a declaration of its management and executive's commitment towards all our stakeholders and applies to all activities of the Company and its subsidiary throughout the entire value chain.

Policy communication and transparency

The policy is available to all of the Company's stakeholders on the Company's website.

We also publish an annual sustainability report in accordance with the standards of the "Global Reporting Initiative" (GRI) on LOG's website, in which we report transparently on material environmental indicators.

We invite our stakeholders to send suggestions and ideas for implementing solutions in the field to:

ESG@logpac.com