

SUSTAINABILITY REPORT 2021

























INTRODUCING vegware

Vegware is a global specialist in plant-based compostable foodservice packaging. We've been manufacturing some of the world's best environmentally preferred products since 2006. Our award-winning catering disposables are made from plants, using renewable, lower carbon or recycled materials, and can all be commercially composted with food waste where accepted.

We are headquartered in Edinburgh, UK with further operational bases in the UK, USA, Australia and Hong Kong, and distribution throughout Europe, the Middle East and Caribbean.

Our environmental experts take foodservice providers on a journey to zero waste, providing support every step of the way.









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Looking ahead

We have at various times been asked how we approach sustainability, or what kind of sustainability initiatives we have in play. The question would come somewhat as a surprise given that we are built from the ground up around sustainability, specifically to address key issues around resource use and recycling, and to take a leadership position on waste management in a foodservice setting.

With that in mind I am delighted that we are now publishing our first dedicated sustainability report. It's an opportunity to take stock of our achievements to date, set out key goals and commitments for the coming year, and to look at how we dovetail into the climate priorities. And of course to give this aspect of what we do the focus it deserves.

In August 2021 Vegware became part of the Novolex® family, a major packaging manufacturer headquartered in the US with operations across North America and Europe. This allows us to work alongside new colleagues in Eco-Products®, also part of Novolex, which means new opportunities for product development but also a fresh sense of purpose around our mission. A company of the scale of Novolex taking the step of incorporating Vegware underlines the extent to which the purpose of our business is more relevant than ever.

For me the big picture rationale for our business is that food waste needs to be kept out of landfill to avoid methane emission, and our packaging is the vehicle to capture and deliver this waste back to soil through composting. Furthermore, agricultural land is increasingly depleted and compost provides both soil conditioner and nutrient infusion giving a boost to agriculture, the environment and food security.

This report is testament to the endeavours that have been going on within Vegware and I hope gives a snapshot of our sense of purpose. We've brought new clients on for composting, created new routes, won awards, engaged with policy makers and certification bodies, interacted with COP26 and reflected on how those themes can be incorporated into our business. We know where we fit and work where we add value - which is where food and packaging waste become co-mingled and moving to compostables provides a single recycling stream.



Joe FrankelFounder and Managing Director Vegware



Established

2006

employees

2020 revenue

E594

500+

products

Markets:

UK, Europe, USA, Australia, Hong Kong, Middle East & Caribbean

Headquarters:

Edinburgh, UK & Huntington Beach, CA

Parent company



Vegware joins the Novolex family

We were delighted to announce in August 2021 that Vegware became a part of Novolex. Novolex is a US-based company with significant manufacturing capabilities encompassing a diverse family of packaging brands. Among them is Eco-Products, a leading provider of sustainable food service packaging.

The Vegware brand is here to stay, along with our team, ethos and product range. Gaining Novolex as our parent company is a major boost, bringing Vegware a whole new level of support, shared ambition, and infrastructure.

We have enjoyed double-digit growth year on year, we sell to over 70 countries around the world, and in 2021 were Scotland's fastest growing exporter. We've become a cornerstone to the foodservice packaging markets in Europe and beyond.

We are proud of what we have achieved as an independent company, and this is the natural next stage of our evolution. Novolex provides the platform for us to continue to develop our product portfolio, value proposition and waste management solutions.





Top sustainable business for 2021:

Business Leader put together a list of 32 individuals and their businesses that are set to lead the UK into the future through sustainable innovation and a focus on the 'green economy.'

Scotland's fastest growing exporter:

THE SUNDAY TIMES

TRACK

Vegware ranked as Scotland's fastest growing exporter, 27th in the UK in the 12th annual Sunday Times HSBC International Track 200.

Certification gained in 2021

Vegware holds a deep set of compostability certifications. The most widely used compostability standards are the European EN13432 and the American ASTM D6400.

Vegware's in-house Compliance team has an ongoing programme of maintaining compostability certification for our growing range.











During 2021 we gained EN13432-compliant certification from OK Compost and Din Certco for the following products:



Hot cups & soup containers



Palm leaf tableware





CPLA hot lids & cutlery





PLA cups, lids, straws, deli containers, portion pots, food containers, and sushi trays.



Shopping bags

In addition, Vegware's waste bin liners and sacks were approved for both home and industrial composting by independent European certification body OK Compost.

Vegware composting waste from COP26, Glasgow

The UN Climate Change Conference 2021 was held in Glasgow, Scotland. Glasgow Science Centre hosted a COP26 'Green Zone', welcoming around 3,000 people a day, supported by a huge team of staff and volunteers.

For three weeks, our Close the Loop waste service collected used Vegware disposables and food scraps from Glasgow Science Centre, taking it for industrial composting.

Happily, this climate conference's waste was turned to compost for use by Scottish farmers, local authorities and garden centres.

As a Scottish company, we were proud that the world's biggest climate change conference was hosted on our home turf. We are even prouder that we helped COP26 catering waste become compost.









Vegware was invited to be part of the Glasgow Climate Chamber Mission, an online and in-person event centred on the circular economy and sustainability. Vegware shared our latest information on UK composting and best practice in foodservice.

We were invited by the Scottish Government to join 100 innovative Scottish businesses to discuss Scotland's Race to Zero. Delegates were welcomed with a keynote speech from Richard Lochhead MSP, the Scottish Government's Minister for Just Transition, Employment & Fair Work. We reported back on these events in our news blog.

2021 Sustainability Report

The health and well-being of our employees is our top priority at Vegware, and as such we offer several fantastic resources to all our people.

Here is a taster of how we aimed to support our team during 2021, a year of highs and lows that made it all the more important to build on our sense of community and shared purpose.



In November 2021 we launched the Vegware Winter Wellbeing programme. This initiative was about recognising that life is not always easy particularly during a pandemic. We emphasised how important it is for everyone to find time for themselves and think about our own physical and mental wellbeing, as well as our personal resilience. As we moved into another winter of some ambiguity and challenge, the programme sought to leave us feeling positive, self-aware, compassionate, and flexible.

Wellbeing expert and author Liggy Webb joined our full team for three sessions: Winter Wellbeing, Resilience and Mindfit. Liggy also provided our team with access to her bitesize book series. With over 60 publications in the library on subjects such as how to avoid burnout and managing emotions, there are many resources available for Vegware employees.



Vitality is the private healthcare provider for Vegware, protecting the health and well-being of all our staff. Whilst the healthcare coverage provided by Vitality is fantastic on its own, our employees benefit from more than just the healthcare coverage.

With Vitality, our employees are rewarded for practising healthy living. By tracking activity such as the number of steps walked, workouts completed and mindfulness sessions attended, Vitality members collect points. Active staff are rewarded with free coffees, cinema tickets, activity trackers, Amazon Prime membership, healthy groceries discounts, financial help towards healthcare costs, and much more!

Further to this, our employees all have access to the Employee Assistance Programme (EAP). This provides 24/7 access to free and confidential resources such as counselling, financial and legal advice.

This is hugely valued among staff, and we are proud to offer this at Vegware.



We are proud to be accredited by the Living Wage Foundation (LWF). We choose to pay employees based on the cost of living, not just on the government minimum.

Supporting active lives



One of our team is also a yoga instructor, whose weekly lunchtime classes are free for any colleague to attend.



Vegware pays around 50% of the membership fee for employees who join the gym through Nuffield Health.



The UK Cycle to Work scheme offers our team the opportunity to buy a bike and accessories, tax-free, enabling active and lower-carbon travel.

Vegware Volunteering

We are very proud of this opportunity at Vegware. Every team member can take one paid day a year to volunteer for a cause that is close to their heart.

We organise all these opportunities ourselves and often team up with some of our Community Fund recipients to offer practical hands on in addition to product donations or grants they receive from us.

Despite the challenges posed by the pandemic, we adapted to the restrictions and continued to offer opportunities such as monthly litter picks around our home city.

In October 2021, for example, we organised a Halloween-themed litter pick on Edinburgh's Calton Hill. Fancy dress was optional, and participants were treated to sweets and a mug of tea or hot chocolate for their efforts!





Groundswell Scotland

Edinburgh Dog and

Cat Home

We started our Community Fund in 2009 to support sustainability in its widest sense. The fund supports a wide range of causes and community projects, from wildlife conservation and rehabilitation to centres for children with disabilities and soup kitchens for the homeless.

We offer non-profits the choice between small monthly grants, a regular donation of Vegware's plant-based packaging, or a one-off donation towards an event or community project.

Groups we supported in 2021 include...



Scottish Stammering Network

Three Hares Woodland



Children of Adam



Lower Kersal Young People's Group



The Yard



The Green Team

Vegware COMMUNITY FUND

2021 IN NUMBERS

We gave monthly grants to

30

different non-profits

We gave away

135

Vegware orders for free

We supported

160

different projects

The Lost Woods - Growing the Glasgow children's woodland

A project designed to inspire, educate and empower children about their environment. In the build-up to COP26, the Lost Woods went one step further, organising a four-day event to create the Glasgow Children's Woodland on a 13-acre site in Cathkin Braes Country Park. Glasgow children aged 5-11 nurtured their own saplings in donated Vegware cups, to plant in the country park.

This new native woodland contributes to Central Scotland's Green Network vision, benefits the local wildlife, community and mitigates against climate change! Watch their documentary here, tracking the progress from acorn to sapling to woodland.

Rowanbank - Positive Imaginings project

Positive Imaginings is a creative climate education project from regular Community Fund grant recipients, Rowanbank. The project presents the positivity demonstrated by children in facing climate change. Activities include a cycling climate circus, woodland workshops for primary school children, teacher training, children's voices soundscape, and filmmaking.

As part of the project, Rowanbank produced a soundscape that has had more than 100,000 listens worldwide and featured by the BBC, on both TV and radio. The 9-11 year-old children come from one of the most disadvantaged communities in Edinburgh.

<u>Watch</u> Rowanbank's films on the Positive Imaginings project and their Cycling Climate Circus.

Find out more at <u>www.vegwarecommunityfund.org</u>





INTRODUCING THE VEGWARE MANAGEMENT SYSTEM

Vegware is a well-run business, and we can prove it!

Vegware has developed and implemented both a quality management system, and an environmental management system, using ISO 9001:2015 and ISO 14001:2015 as a framework. This allows our organisation to document and improve our practices to better satisfy the needs and expectations of our customers, stakeholders and interested parties. The collective management systems are known as the Vegware Management System (VMS).

We train our full team on the VMS, train up internal auditors to help our teams embed good working practices, and have two Management Reviews per year.

Our ISO 9001 and 14001 certification is audited by NQA, an independent provider of environmental certification services. Happily we achieved Vegware's recertification, which is valid until September 2024.

Here we set out our Vegware Management System Environmental Objectives from 2021, and report on our progress against these goals.

ISO 9001

The internationally-recognised ISO 9001:2015 standard is based on a number of quality management principles including a strong customer focus, the motivation and engagement of top management, the process approach and continual improvement. Using ISO 9001 helps ensure that customers get consistent, quality products and services, which in turn brings many business benefits.

ISO 14001

ISO 14001:2015 helps an organization achieve the intended outcomes of its environmental management system, which provide value for the environment, the organization itself and interested parties. Consistent with the organization's environmental policy, the intended outcomes of an environmental management system include:

- enhancement of environmental performance
- fulfilment of compliance obligations
- achievement of environmental objectives







ACHIEVING OUR ENVIRONMENTAL OBJECTIVES IN 2021

Objective	Overview	Acheived?
1 Drive access to composting Continue to engage with the organics recycling sector in the UK to expand access to commercial composting of Vegware products.	Our engagement work with the organics recycling sector included collaborating with trade associations, research project planning, a webinar, awards and composting-related social media campaigns. At the end of 2021, there were regular commercial collections taking Vegware to composting in 46 of the UK's largest towns and cities, covering 49% of the total UK population. In 2021, Vegware's Close the Loop Scotland collections took over 76 tonnes of used Vegware products for composting – the equivalent of 4.4 million of Vegware's 12oz cups and lids. 100% of mainland UK is covered by 2 courier collection services, recycling our cups or composting all Vegware products. We continued to develop our understanding of the on-site composting units suitable for our products, with further successful trials conducted. More on page 15	Lots achieved, with more in progress
2 Drive client composting Work to encourage Vegware clients to compost their Vegware products after use – both through Close the Loop in Scotland, and through our Composting Regions elsewhere.	During 2021 we helped 55 Vegware clients set up new composting schemes, from large catered offices and universities to independent cafes. More on page 23	Achieved





Objective	Overview	Acheived?
3 European environmental support Grow our knowledge and understanding of composting in territories everywhere we operate in Europe, acting upon opportunities to develop closed loop systems and support EU distributors and end users.	We engaged with European clients using new training resources, and developed closer connections with European trade associations. More on page 27	Achieved
4 Our office recycling Achieve and maintain an 80% recycling rate at our offices at 39 & 41 Melville St.	Our 2021 recycling rate was 77%, up from 72% in 2020 and 69% in 2019. More on page 28	In progress
5 Office energy use Reduce overall energy use at our Edinburgh offices.	We beat our electricity reduction target, but missed our desired gas reduction. More on page 29	In progress
6 Carbon management baseline Establish a baseline measurement of carbon output within an agreed business scope, in order to inform our carbon management strategy 2021/2022.	We continue to work on our carbon management plans during 2022, developing our Net Zero framework and goals. More on page 30	In progress

DRIVE ACCESS TO COMPOSTING

"Continue to engage with the organics recycling sector in the UK to expand access to commercial composting of Vegware products"



We engaged actively with the organics recycling sector, with trade association collaboration, research project planning, a webinar, awards and social media campaigns.

At the end of 2021, there were regular commercial collections taking Vegware to composting in **46** of the UK's largest towns and cities, covering **49**% of the total UK population.

In 2021, Vegware's Close the Loop Scotland collections took over **76 tonnes** of used Vegware for composting – the equivalent of **4.4 million** of Vegware's 12oz cups and lids.

100% of mainland UK is covered by 2 courier collection services, recycling our cups or composting all Vegware products.

We continued to develop our understanding of the on-site composting units suitable for our products, with further successful trials conducted.

This objective is a major focus for us, so we have a lot to say! First we'll focus on how we engaged with the organics recycling sector, and then in the following section we explore Vegware access to commercial composting.

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ENGAGING WITH THE ORGANICS RECYCLING SECTOR

We have absolutely achieved this part of our objective. Here is a flavour of how we engaged with the organics recycling sector in 2021:



Planning an industry-wide compostables research consortium

During 2021, Vegware has been working together with 9 partners, from compostable materials companies to universities, to put together a research project funded by UKRI. This has been successful, and the project is set to start in May 2022, running for two years.

The Compostable Coalition UK is focused on demonstrating effective means to collect and treat compostable packaging via UK's existing waste collection and treatment streams. The project will also quantify for the first time the economic and environmental impact in mainstreaming compostable packaging as an alternative to key hard-to-recycle plastics such as coffee pods and single use service-ware.



Bio-based and Biodegradable Industries Association (BBIA)

The BBIA brings together leading British expertise in modern packaging materials designed to mimic nature's processes and deliver food waste and organic matter safely to soil. Vegware has been an active member since its foundation in 2015. In the words of BBIA Chair Andy

Sweetman, "Our industry is not just about compostable plastics, but much, much more – imagine a future in which materials are made from plants and plant waste, and recycled back to soil."

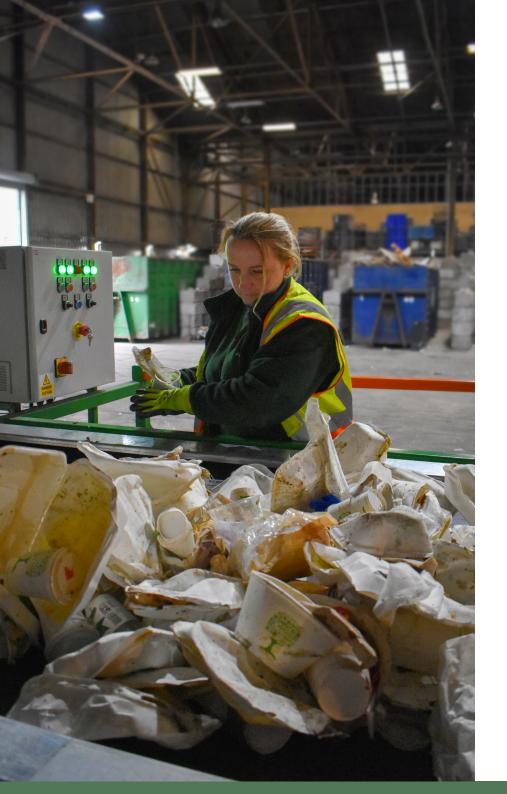
2021's industry dialogue and policy-related collaboration culminated in a November 2021 event at London's House of Lords. Some 90 attendees heard speakers including Vegware's Environmental and Communications Director Lucy Frankel. The event's report highlights the opportunity for the UK in developing biotechnologies and the policy barriers that need to be overcome to achieve those goals. A Plastic Planet also distributed the Compostable Conundrum, its guidelines offering clear reasoning for the applications best and least suited to compostable materials.



Working with REA ORG, representing the UK composting sector

UK Renewable Energy Association's Organics Recycling Group (REA ORG) brings together the UK's composting sector. Vegware is an active member and during 2021 worked closely with the group to align on responses to UK government consultations.







Paper Round - new London sorting line & webinar

In London, Brighton and Sussex, we partner with Paper Round for engagement-led collections for used Vegware. In February 2021, with co-investment from Vegware and Waste and Resources Action Programme (WRAP), Paper Round installed the UK's first sorting line for compostables at their Materials Recycling Facility near London. The composting process is heavily reliant on clean materials to meet quality standards, as compost is used in agriculture. This is why it's so important that contamination is minimised.

In July 2021, we held a joint <u>webinar</u> for professionals throughout the waste, sustainability and catering sectors. Paper Round shared their experiences implementing composting schemes, with waste audit data showing Vegware's communications methods resulted in a dramatic reduction in contamination.



Composting helps Cawleys award win

In addition to building relationships with clients, our Environmental team has been working with the waste sector since 2012. Having good relationships with key stakeholders in the waste sector has meant that we have been able to offer Vegware composting collections across much of the UK.

We have partnered with waste management organisation Cawleys since 2019. With their support, Vegware customers in Bedfordshire, Hertfordshire, Buckinghamshire and Northamptonshire can see their used Vegware collected and turned into high-grade compost in under 12 weeks.

The partnership proved to be a factor in <u>Cawleys winning bronze at the Green Apple Awards in 2021!</u>

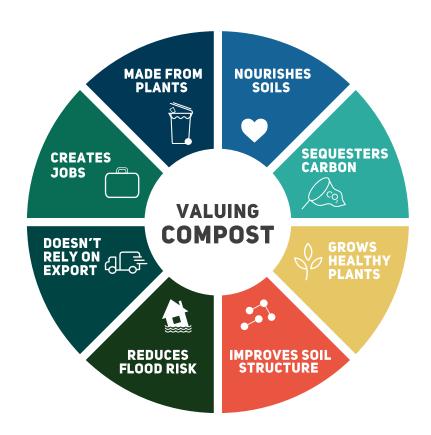
"We are delighted to partner with such a forward-thinking company," said Cawleys' Marketing Manager Nicky Severn.

In 2021 we were delighted to win a Green Apple Award for our sustainable approach to waste and one of the key differentiators that contributed to our award was our partnership with Vegware. With similar values and a true focus on the full circle economy our relationship with Vegware helps our clients and theirs become truly sustainable by closing the link between compostable eco-friendly packaging and the most effective recycling route.

International Compost Awareness Week 2021

International Compost Awareness Week took place in 2-8 May 2021 as the largest and most comprehensive education initiative undertaken by the compost industry. In celebration of the week, we offered information on why compostables and compost itself were worth celebrating!

We released four blog posts throughout the week, sharing our thoughts, top tips and expertise to those who wanted to learn more about and take advantage of compost. We were keen for these activities to have a sense of community.



ACCESS TO COMPOSTING IN 2021

We started interacting with the waste sector back in 2012, when we first formed our Environmental team. In 2012, there was only one UK city with a commercial collection able to compost used Vegware: Aberdeen.

We have come a long way since 2012. At the end of 2021, Vegware clients were able to set up commercial composting collections in 46 of the UK's largest towns and cities. Whilst we do see ups and downs in our access figures, we are proud of the progress we have made over many years of proactive work. See our current coverage at www.vegware.com/composting.

Access to commercial composting for Vegware depends on a few different factors:



Facilities

Firstly, us working with the composting facilities to ensure they can accept used Vegware products for processing together with food and garden waste. Over the years we have run trials at a wide variety of organics recycling facilities to make sure our packaging can compost in their process and timescale.



Collectors

The next factor to infrastructure access is the collection network. We work with commercial composters to help foodservice businesses set up collections which will go to those suitable facilities. The metric we track is for regular composting collections on offer to a region's businesses; in addition, larger sites may be able to set up their own dedicated collections



Clients

The final layer is the client – this may be as simple as working with one single business owner running a café. But more frequently, it means working with a complex set of stakeholders at a catered office. We have developed successful project management and stakeholder engagement strategies to bring together waste, catering, facilities and marketing teams to implement composting schemes at large education sites or corporate campuses.

During 2021 we saw commercial routes increase as we started our new partnership with Countrystyle in the Cambridge region, and other existing collection partners such as Paper Round in London and Brighton expanded their Vegware routes.

In April 2021, our Environmental team completed a site match for a UK-wide contract catering client. The proportion of catered sites with access to commercial composting collections had risen to 80%, from 55% of the same sites in 2019. However in autumn 2021 our overall access figures dropped due to a change at one waste facility.

Compostable packaging is designed for aerobic breakdown in commercial composting, but during 2020 a new technical solution meant that a specific anaerobic digestion plant was able to process our products. The facility had introduced an autoclave unit as a pre-treatment step. The autoclave manufacturer's laboratory tests on Vegware products showed biogas results comparable to food waste, which demonstrated the value in processing Vegware at this facility. However, for other operational reasons, that facility changed its process partway through 2021 to remove the autoclave.

Transparency is important to us, and we want to give accurate expert support. Our Waste Management Consultants advised clients and collectors that this route would not process Vegware products, and we revised our figures.

Access to composting in numbers

Measuring Vegware's access to suitable organics recycling	End 2019	End 2020	End 2021
Percentage of total UK population in regions with regular commercial composting collections for used Vegware	Not tracked	Not tracked	49 %
Number of largest UK towns and cities with regular commercial collections	48	54	46
Population of the 100 largest towns and cities with access to commercial composting collections	Not tracked	71%	65%
UK postcodes covered by a commercial composting collection	Not tracked	44%	44%
UK access to post-back service for boxes of used Vegware products	100%	100%	100%

UK regular composting collections

Around the UK, Vegware has developed partnerships with waste collectors taking used Vegware to composting facilities. At the end of 2021, regular commercial collections were available for Vegware clients...

ln

46

of the UK's largest towns and cities (plus surrounding areas)

In 1,296 postcode districts - that's

44%

of all 2,980 UK postcode districts

Which covers

49%

of the UK population

These 46 UK towns and cities (plus surrounding areas) are:

SOUTH-EAST: London, Brighton, Eastbourne, Hastings, Worthing, Crawley, Oxford, Reading, Slough, Milton Keynes, Basingstoke

EAST: Cambridge, Peterborough, Basildon, Colchester, Hemel Hempstead, St Albans, Watford, Stevenage, Bedford, Luton

MIDLANDS: Birmingham, Wolverhampton, Solihull, Sutton Coldfield,

Chesterfield, Lincoln, Northampton, Telford

YORKSHIRE: Sheffield, Barnsley, Doncaster, Rotherham, Leeds, Bradford, Halifax, Huddersfield, Wakefield, York, Kingston upon Hull, Grimsby

SCOTLAND: Edinburgh, Glasgow, Dundee, Aberdeen

NORTHERN IRELAND: Belfast



UK-wide post-back services

There are UK-wide courier collection services suitable for used Vegware products:

All Vegware, for composting – RecycleBox by First Mile is a courier collection service taking any Vegware for in-vessel composting. Clients can put their Vegware products back in the box they came in, or use the box provided.



New collections in Cambridgeshire with Countrystyle

In May 2021, we partnered with waste management company Countrystyle Recycling to launch a new composting collection service for Vegware clients in Cambridge and surrounding region. With a population of nearly 800,000, this region is known for universities, technology parks and a lively food scene. Used Vegware and food waste is processed at local in-vessel composting facility enVar, creating PAS100 quality compost in just seven weeks. Read our case study on The Welding Institute to find out more.

Close the Loop

Vegware runs its own waste collections for clients in Edinburgh, Glasgow and Central Belt Scotland.



In 2021, Vegware's Close the Loop collected over **76 tonnes** of used Vegware – this may sound like a small number, but packaging is light. **76 tonnes** is the equivalent of **4.4 million** of Vegware's 12oz cups and lids.

On-site composting

There are a number of brands of on-site composting units, which can be suitable for processing used Vegware, given a suitable mix of organic matter. Clients can choose from solutions that create compost or units that pre-treat Vegware and food waste ready to send to anaerobic digestion.

During 2021 Vegware's products were trialled by another composting unit supplier, who found that 99% of Vegware's materials were suitable for use in this process, which takes 24-hours.

The small remainder was PLA from Vegware's clear cups, which the supplier estimated would break down within four days.

This jar contains the resulting compost created using Vegware packaging.

Dedicated collections

In addition, Vegware can help larger sites arrange dedicated collections for skip (or dumpster) quantities of waste for composting. This is currently in use for three large UK clients with campus-style offices in the public and manufacturing sectors.



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OBJECTIVE 2

DRIVE CLIENT COMPOSTING

"Actively work to encourage Vegware clients to compost their Vegware products after use – both through Close the Loop in Scotland and through our Composting Regions elsewhere."



During 2021 we helped **55** Vegware clients set up new composting schemes, from large catered offices and universities to independent cafes.

This has been a point of pride with the Vegware team, as we helped a wide variety of clients implement new composting schemes. Here is a sampling of that variety, brought to life with case studies.



Case study: The Welding Institute, Cambridge

TWI's Chef Manager first contacted Vegware in October of 2019. With around 600 permanent members of staff and the capacity to host a further 500 for events, the TWI headquarters produced a lot of waste!

Across the site there were roughly 50 bins to accommodate waste produced in the main canteen and other smaller breakout rooms. The problem for Stuart was that the paper, glass, and plastic waste produced could only be recycled if not contaminated with food waste. Not an easy thing to ensure in a catering environment!

The Chef Manager not only wanted to use Vegware, but also to ensure the waste was composted. Shortly after, Vegware began supporting TWI and all the plastic, paper and glass was replaced with our plant-based packaging.

The pandemic meant that further progress was put on hold until 2021. In May of that year, we introduced TWI to our compost collection partners in Cambridgeshire, Countrystyle. In June, TWI completed the transition to 100% Vegware. They were now ready for Vegware composting collections.

In preparation for the mid-July launch, our Waste Management Consultant, David Dyce visited TWI to ensure that everything was in place and their food waste and used Vegware could be turned to compost.

Vegware also provided a wide range of communications materials to make the process as simple as possible for TWI staff. This included bespoke bin signage, animations shared on screens, posters and training leaflets. The process was easy to follow and TWI's composting collections have since been an out-and-out success.

Case study: Belgrave Music Hall, Leeds

Belgrave Music Hall is a bar and music venue in the heart of Leeds, Yorkshire, UK. They have been using and composting Vegware's plant-based packaging with food waste, thanks to the collections operated by our Yorkshire waste management partners.

"We chose Vegware as our alternative food serviceware," explained Belgrave's sustainability representative. "Vegware seemed an obvious choice due to its plant-based nature and compostability!"

us to minimise our impact in any way we can. Swapping out conventional single-use plastics for Vegware was such an easy win for us – it not only reduces our impact but helps educate our customers in the process too.

Case study: University of Glasgow

The University of Glasgow's student residence Wolfson Hall joined Close the Loop in August 2018. Switching its disposables to Vegware's plant-based packaging, Wolfson Hall has been able to compost the waste from approximately 500 hot drinks, 250 cold drinks and 400 hot meals every day.

The hall's Catering Manager was enthused:

Sustainable measures like
Close the Loop are such
a good thing and as an
education provider we should
be leading the way. I hope
it will eventually become the
norm.

Following the successful composting scheme at Wolfson Hall, Glasgow University has been rolling it out at other sites around campus during 2021 such as the JMS Hub, the Gilchrist café, and the Library.

Plans are also in place to bring on the School of Veterinary Medicine so more Glasgow University students can compost their used Vegware. You can read the full case study on Wolfson Hall here.







Case study: Nike and ISS Guckenheimer, Memphis, Tennessee

In North America, Vegware worked with Nike who launched a Drive to 100% Food Waste Diversion program in Memphis, the first of its kind to minimize and divert food and food-associated waste from the cafeterias of large Nike distribution centers in the region.

This program launched in 2020 at three Nike facilities, bringing corporate composting to the region, and scaled and stabilized throughout 2021 as operations resumed to normal. By including sustainability requirements in procurement, Nike signaled the strategic imperative of starting this initiative.

Vegware was proud to be one of the six vendors including that came together to design and implement the program.

Vegware's US Product and Zero Waste Specialist created bespoke waste signage for Nike, reflecting the exact catering disposables in use.

Through the partnership, the food and food-related

compostable waste from the ISS Guckenheimer food services operations has been transformed into compost to feed the Community Gardens which launched at these facilities as part of this program, making the distribution center a brighter place to work.

ISS Guckenheimer's Chef Manager said,

We really appreciate the relationship with Vegware, supporting all of Nike's composting needs.









Updating our end of life advice

Vegware is committed to always giving accurate and helpful information on end-of-life options for our products. Our core phrase printed on our products and in marketing material is 'commercially compostable where accepted'.

During 2021 we have been improving on-product markings and end of life instructions in marketing material:

- We have been updating on-product prints to include compostability certification logos, starting with our family of cups.
- When we launched our new microflute range of boxes and trays during 2021, we added
 an additional instruction in marketing material: 'Recycle with card only if dry and clean'. In
 conversations with clients, we emphasize importance of the material being dry and clean in
 order to avoid contaminating fibre recycling with unwanted food.

Challenges getting clients composting

- Client motivation has been a challenge at times during 2021.
 The pandemic and continued lockdowns brought a major slow-down and operational challenge for many foodservice operators.
 Waste has often been low down on many business' priorities.
 However, COP26 has been a motivator at the end of 2021, resulting in greater urgency and interest in the support we offer.
- Fragmented sets of stakeholders can make it harder to communicate our composting support to all users of our products.
 Our solution is a new online enquiry form www.vegware.com/KeenToCompost which allows any café, caterer or distributor to contact our in-house Waste Management Consultants to take the first steps to composting.
- On the go recycling is an ongoing challenge for takeaway businesses. Cambridge Business Improvement District and Countrystyle have been experimenting with on-street bins to capture used Vegware from the many food sellers in the centre of Cambridge, which forms a useful insight into how this can be solved.



In 2021 we were recognized in several awards for our waste activism.



Awards for Excellence

We were runner up for the Organics recycling business of the year in the Awards for Excellence in Recycling and Waste Management.



Footprint Awards

We were shortlisted for the Waste Prevention & Waste Management Award

waste2zero

Waste2Zero Awards

We achieved 'Highly Commended' for our composting client outreach.



IWFM Impact Awards

Finalist for our partnership with Paper Round to launch a large-scale commercial compostables service.

EU ENVIRONMENTAL SUPPORT

"Grow our knowledge and understanding of composting everywhere we operate in Europe, acting upon opportunities to develop closed loop systems and support EU distributers and end users."



We engaged with European clients using new training resources, and developed closer connections with European trade associations.

During 2021 our Environmental team developed training resources for EU distributors on the details of Vegware's materials and end of life best practice.

During 2021 we updated our European cup designs, to help clients meet the new marking requirements as part of the Single Use Plastics Directive. As part of this design refresh, we have added our compostability certification logos and also a QR code. Anyone in Europe can scan the cup to visit a new web page with end-of-life information about our cups in all European languages.

In addition, composting trials were carried out in Portugal, and Vegware continued to forge new links with European trade associations.



IMPROVE OUR OFFICE RECYCLING

"Achieve and maintain a high recycling rate in our offices at 39 & 41 Melville Street."



We aimed for 80% and our 2021 recycling rate was 77%. This was higher than previous years, but we still have work to do.

At Vegware we want to practise what we preach. We encourage our foodservice clients to set up composting and recycle as much as possible. So a key target for us is to get our own office recycling right. Working on this gives us first-hand experience of the challenges and solutions our clients can implement, and it also engages our team to be ambassadors for good recycling behaviours.

Our targets:

- Achieve and maintain 80% recycling rate for our Edinburgh offices
- Avoid contamination across all waste streams

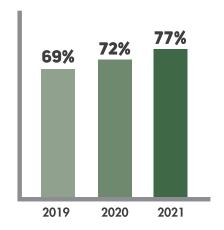


What we did:

- Our waste streams consist of paper, cardboard, cans, plastic bottles, food waste and compostable packaging, glass, batteries, and confidential paper.
 We continued with source segregation of key materials with clearly labelled bins throughout office space.
- We created a 'Facilities Induction' presentation for new starts in the office. This outlines Vegware's approach to recycling, the waste streams we have available and informs employees of our targets.
- We retrained our office cleaners on recycling streams and correct segregation of waste.
- We cleaned out our external wheelie bins.

What we achieved:

Whilst we missed our 80% target by just two points, our 2021 recycling rate saw major improvements compared to previous years:



REDUCE OUR OFFICE ENERGY USE

"Reduce overall energy use at our Edinburgh offices."



We beat our electricity reduction target, but missed our desired reduction in gas usage.

Electricity use in 2021, as in 2020, was less than in 2019. This was largely due to our home working approach for both years due to the pandemic.



We carried out quarterly reviews throughout 2021. Here is a summary of our year's activities on energy use:

- We changed to a green energy utilities provider for our Edinburgh offices, to be a part of the move to renewables.
- We continued to monitor energy use throughout the year, noticing fluctuations with our changing levels of office attendance during the pandemic.
- With high levels of home working, our Green Team shared advice with all colleagues on energy conservation in the home.
- With many new employees, in Q4 we created a 'Facilities Induction' presentation for new starts. This outlines our approach to reducing energy use and informs employees of our targets. This resulted in a noticeable increase in energy-saving behaviours such as switching lights off when not in use.

What we achieved:

Energy consumption - kWh per m2 of floor area	Target	2020	2021	Comments on performance
Electricity	65	72	43.5	Target achieved
Gas	126	166	167	Not yet achieved – More to do

As we move ahead in 2022, we are looking at options for hybrid working which will support lower energy use going forward.

Our Edinburgh offices are part of a classical sandstone terrace built in 1814, with very high ceilings and traditional sash windows. Whilst a pleasure to work in, efficient heating is a challenge we continue to work on.

2021 Sustainability Report

OBJECTIVE 6

CARBON MANAGEMENT BASELINE

"Establish a baseline measurement of carbon output within an agreed business scope, in order to inform our carbon management strategy 2021/2022."



We continue to work on our carbon management plans during 2022, developing our Net Zero framework and goals. We continue to work on our carbon management plans during 2022, developing our Net Zero framework and goals.

Vegware has signed up to the UN's Race to Zero, committed to reducing emissions across all scopes swiftly and fairly in line with the Paris Agreement.

The first step to reduction is to understand where we are now. We set an objective of establishing a baseline carbon footprint, starting with the scope of energy consumption at our Edinburgh offices, and our team's business travel, as well as quantifying travel avoided due to virtual meetings. With advisory support from Edinburgh's Beyond Green, the first step was an Initial Carbon Emission Review within this agreed scope.

New opportunities for improvement opened up in August when Vegware became part of Novolex. Vegware has since started to work on the carbon management of our entire product inventory, supported by Life Cycle Assessment experts. This detailed data analysis exercise will enable lifecycle analysis of our range. Measuring the climate impacts of our full operations is a key step in our carbon management plan and future progress to net zero.





SUSTAINABILITY PILLARS

Scotland's Glasgow proudly hosted COP26, the United Nations Climate Change Conference 2021. The event was timely and inspirational. Building on its themes, we have created our Vegware Sustainability Pillars.



Avoiding methane emissions

Food waste in landfill can emit methane, a powerful greenhouse gas. Compostable foodservice packaging can serve as a vehicle to help divert food scraps from landfill and capture it for organics recycling.

We will continue our mission to help drive the composting of Vegware's products.



Responsible fibre

Felling trees without replanting contributes to climate change. Fibre-based materials can have an impact on agriculture.

Vegware's fibre is from responsibly-managed forestry and annually-renewable crops such as bagasse, which is reclaimed waste sugarcane fibre. We will build on existing responsible fibre sourcing to demonstrate sustainable practices.



Soil health

Soil health is critical for food security, agriculture and human health. Nutrient-rich compost displaces petrochemical fertiliser, sequesters carbon, acts as a soil conditioner and local creates value in the circular economy.

We are taking advocacy positions on healthier soils, helping clients minimise contamination, and doing all we can to drive good quality organics recycling.



Procurement power

Packaging relies on raw materials, transport and energy. Every manufacturer has an opportunity to review and improve its climate impact measures, and drive more sustainable behaviours throughout logistics and supply chains.

We are committed to using business as a force for positive change. We will engage with our supply chain on carbon management plans and other ways to be better global citizens.



Carbon management

Net zero means achieving a balance between the carbon an organisation is emitting and removing from the atmosphere. It is vital to reduce the carbon impact of all human activity to mitigate the climate emergency.

We will continue to measure our impact, and create a carbon management plan which enables us to work towards Net Zero.



Positive social impact

Vegware aims to be the company we want to work for, and we would want to work with. We want to create positive outcomes for the environment, our employees, our clients and society as a whole.

We will remain a Living Wage Employer, build on our supportive human-centred policies, and continue to support sustainability non-profits through the Vegware Community Fund. We will work towards B Corp certification to verify high standards of social and environmental performance, transparency and accountability.



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