



Lansinoh®

Communication on Progress for the United Nations Global Compact

Reporting Period: January – December 2022
Lansinoh Laboratories, Inc.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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About the United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with Ten Principles which are universally accepted in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals.

Launched in 2000, the Global Compact is the largest corporate sustainability initiative in the world, with more than 17,000 companies and 3,900 non-business signatories based in over 175 countries, and nearly 70 Local Networks.

Businesses who participate in the Global Compact make a commitment to integrate the ten principles in their strategies and operations. The Communication on Progress (CoP) is the key communication tool to inform stakeholders on progress made in implementing the Ten Principles.



SUPPORTS
**THE UNITED
NATIONS
GLOBAL
COMPACT**

More than
17,000
companies

3,900
non-business
signatories

Over
175
countries

Nearly
70
local networks

Since we began nearly 40 years ago, Lansinoh® has been committed to the health and well-being of mothers and babies around the world. We serve families in more than 70 countries, offering effective and evidence-based education and products to ensure mothers and babies get the best possible start in their new lives together.

As a mother-founded company, we have always advocated for breastfeeding mothers and their babies – our advocacy is rooted in our founder’s own challenges and the societal obstacles she and millions of other mothers have encountered. In 1984, breastfeeding was rarely discussed and there were few options for women. There were no breastfeeding sections in stores, classes were difficult to find, and many mothers were challenged or shamed for choosing to feed naturally.

We have made a lot of progress since 1984, and we still have a lot of work to do. Although health professionals recommend exclusive breastfeeding for the first 6 months of a baby’s life, only 41% of babies around the world are breastfed for this period of time¹.

In many countries, families lack the support and education they need to breastfeed for longer and we are driven to do our part to stand with them. We are committed to healthy families and to a healthy planet. We know that our work for both is key to future generations.



1. <https://www.lli.org/2021-world-health-day-improve-global-breastfeeding-practices/>

Letter from our CEO

Dear Stakeholders,
Lansinoh is committed to a sustainability program that is driven by science and supports the United Nations Sustainable Development Goals, because we want to ensure a healthy future for the families we serve. We became a member of the United Nations Global Compact (UNGC) in 2021 to foster this vision. I take pride in publishing Lansinoh's second Communication on Progress and updating you on the progress we have made.



The last year of activity at Lansinoh spotlights the ambitious steps we have taken, and our plans for the future. Becoming a member of the UNGC helped us to drive change by implementing learnings from the Target Gender Equality program. We are now signatories to the Women's Empowerment Principles (WEPs) and we stepped up within just one year to the *Achiever Level* after implementing findings from the GAP Analysis Tool.

We continue to expand our corporate governance capabilities and align our culture with the Ten Principles of the UNGC. We will keep pushing our efforts to **become climate neutral by 2030**. Our vision is an overall sustainable business based on a resilient, innovative, and responsible business model, strengthened through professional governance.

I am deeply pleased to confirm that Lansinoh reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Sincerely yours,

A handwritten signature in black ink, which appears to read "K Vyse-Peacock". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin Vyse-Peacock
Chief Executive Officer

Activities and Outcome Measures

Our Global Sustainability Department is focused on inter- and intra-generational equity. We apply a science-based approach to our sustainable development, with a focus on balancing ecological, economic, and social considerations.

The Global Sustainability Department is led by the Chief Officer for Global Corporate Planning, reporting directly to the CEO, and is supported by a committee of local champions at all of our sites around the world.

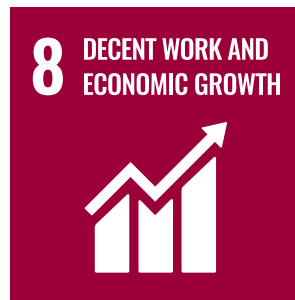
We take action by supporting the United Nations Sustainable Development Goals (SDG's), while focusing on seven in particular:



Ensure healthy lives and promote well-being for all at all ages.



Achieve gender equality and empower all women and girls.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Ensure sustainable consumption and production patterns.



Take urgent action to combat climate change and its impacts.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Company-wide Key Performance Indicators

We have aligned on a set of company-wide Key Performance Indicators related to sustainability topics and have added specific, time-bound targets to each of them. The initial measurement will be completed by the end of 2022 and tracking the progress will help us to learn and improve.

Topic	KPI	Target	Target Year
Climate Change	Scope 1+2 emissions	Reduce by 46%	2030
	Scope 3 emissions	Reduce intensity by 69% (kg/\$ gross margin)	2030
Energy	Renewable electricity	Maintain use of 100% renewable electricity	Ongoing
	Fuel consumption from company cars	Reduce by 30%	2030
Manufacturing	Electricity consumption	Reduce intensity by 2% each year (kWh/\$M sales)	2025
	Industrial waste	3% intensity reduction (kg/\$M sales)	2025
	Water consumption	Reduce intensity by 3% each year m ³ /headcount	2025
	Days lost due to occupational incidents	Maintain and aim for zero days lost	2025
Packaging	Recyclable packaging	Achieve 100%	2030
	Fiberboard incl. recycled content	Achieve 100%	2025
	Paper from sustainable sources	Achieve 100%	2030
	Increase use of PCR in plastic packaging	Increase to 50% by weight of total plastic packaging	2025
	Reductions in paper inserts use	Reduce by 30% in total weight of paper inserts	2025
	Inner cartons eliminated for European articles	Eliminate	2025
Ratings	CDP Rating	Secure at least B rating	Until 2025
	WEPs Gender Gap score	>50%	2025
Gender Gap	% Women/Men Senior Management	Aim for 1:1 to overall women to men ratio (white collar)	Ongoing
	Average salary ratio women to men	Secure 1:1 ratio in jobs of equal value	Ongoing
Employee Engagement	Employee Survey Net-Promoter-Score	Currently fielding, results to be tabulated Q1 2023	
	SORWE internal employee satisfaction tool	Maintain score >80% (used at manufacturing site)	2025
	% Employees engaged in activities at least once per year	Achieve >80%	2030
Governance	Supplier score in annual survey	Maintain >90%	2030
	Operations that have been subject to human rights reviews or impact assessments	0 (ensure no operations is subject to this)	Ongoing
	Incidents of discrimination and corrective actions taken	0 (ensure there are no incidents)	Ongoing
	Fines, settlements or non-monetary sanctions	0 (ensure there are none of them)	Ongoing
	Product recalls or non-compliance	0 (ensure there are none)	Ongoing



Principle 7:

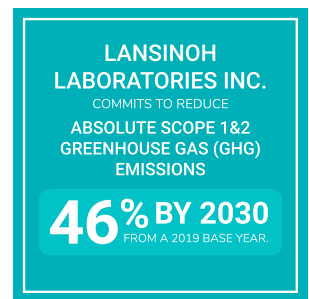
Businesses should support a precautionary approach to environmental challenges;

Principle 8:

Undertake initiatives to promote greater environmental responsibility; and

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.



1. Climate Transition

Our climate strategy is continuously optimized to ensure we meet our commitments of becoming climate neutral by 2030 and net-zero by 2050. These goals are built on ambitious, science-based targets across all three scopes.

1.1 Corporate Carbon Footprint 2021

Our annual greenhouse gas balance calculation adopts the Greenhouse Gas Protocol standard, and is verified by an external certifier, the DFGE Institute for Energy, Ecology and Economy. Our Scope 1 and 2 emissions are verified by GUTCert and are aligned to the ISO 14064-3:2019-04 standard.

Measurement of Outcome

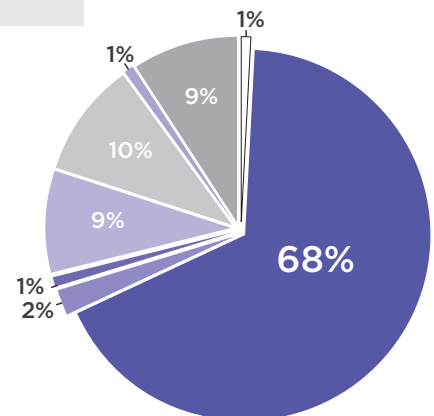
In 2021, our total emissions (19,461t CO₂e) were **15% lower than the previous year**. This is because we **reduced** our Scope 1 & 2 emissions by **90%** versus our base year (2019). This reduction has already surpassed our science-based target. Our Scope 3 emissions have decreased by 5.4% in since 2019 and will continue to be prioritized as we move forward.



Emissions

- Scope 1 - Combustion & Fugitives: 1%
- Purchased Goods & Services: 68%
- Capital Goods: 2%
- Fuel- and Energy Related Activities: 1%
- Upstream Transportation & Distribution: 9%
- Downstream Transportation & Distribution: 10%
- Use of Sold Products: 1%
- End-of-life Treatment of Sold Products: 9%
- Scope 2 - Purchased Energy: 0%*
- Waste Generation in Operations: 0%*
- Business Travel & Commuting: 0%*
- Commuting: 0%*

*Rounded figure for this category is lower than 1%. Emissions in this category are included in totals.



1.2 Climate Transition Planning

Climate transition planning was introduced at Lansinoh this year. In the first half of the year we partnered with an external consultant to conduct a detailed gap analysis that helped to identify our goals and a path to achieving them. We have taken this gap analysis and reviewed what still needs to be achieved for us to become climate neutral by 2030. This is our Climate Transition Plan.

Our focus will be on our high emission products, starting with the biggest contributor, Disposable Nursing Pads. Our first step has been to evaluate emission saving measures for this product. The approach we use for Disposable Nursing Pads will act as our blueprint for our next product focus, Milk Storage Bags.

As part of our Climate Transition plan, we are collaborating closely with our parent company, The Pigeon Corporation, who plan to commit to their own science-based targets in the coming years.

1.3 Action plans

In 2022, we have successfully reduced our impact in several areas of our business:

We are choosing renewable over non-renewable electricity sources.

Measurement of Outcome

We are proud that since 2022, all of our sites and our factory are **now running on 100% electricity from renewable sources.**

We are calculating Product Carbon Footprints.

Measurement of Outcome

To understand the impact of the Lansinoh product portfolio and find adequate reduction potential, **we conducted Product Carbon Footprint analyses** for six products, including high-volume products like Milk Storage Bags, Lanolin Nipple Cream and Organic Nipple Balm.

We are switching to FSC-certified packaging material.

Measurement of Outcome

All our bottle and nipple packs are **now using FSC-certified material.** We will continue to switch to FSC-certified packaging where we can across our portfolio.

We improved our governance when supporting external activities.

Measurement of Outcome

We issued a **commitment on reviewing our engagement** activities regarding conformity with the goals of the Paris Agreement.

We are aiming to reduce the amount of packaging being shipped.

Measurement of Outcome

We **eliminated** over **280,000** inner cases for four exclusive SKUs to a major US customer.

We are committed to ensuring 100% of our packaging is recyclable, reusable or biodegradable by 2030.

Measurement of Outcome

Having recyclable packaging is one of the performance indicators we are tracking. We replaced the plastic blister packaging for all our nipples with full cardboard boxes. **We added the How2Recycle** guidance for two more North American products, bringing the total number of products to five.

We are pursuing our goal to increase the percentage of post-consumer recycle (PCR) by 50% in plastic packaging by 2025.

Measurement of Outcome

We identified two possible suppliers for PCR tubes for our flagship product, Lanolin Nipple Cream. **We are currently conducting stability tests on 50% PCR tubes.**

We are collaborating with suppliers and distributors to determine emission saving potentials and to advocate for their use of renewable electricity.

Measurement of Outcome

Our second biggest warehouse service provider will install solar panels on their premises in the coming year.



CLIMATE NEUTRAL PRODUCT

<https://cn.dfge.de/220101-2024-02>



Measurement of Outcome

We have added **three more climate neutral products in 2022** including our hero product: HPA® Lanolin Nipple Cream.

1.4 Climate Neutral Products

We are growing our third party-certified climate neutral product portfolio. These products are a key building block to ensure we meet our science-based emission reduction targets, and to become climate neutral as a business.

For us, climate neutrality means taking responsibility for the impact that our activities have on the climate. The first step we take is to avoid and reduce GHG emissions as much as possible.

In our Product Carbon Footprints, we assess all greenhouse gas emissions generated by a product. We measure the entire life cycle of a product - from raw material through to its disposal. Our goal is to reduce the environmental impact of the product by targeting emission hotspots, and then either avoid or eliminate emissions to improve year after year. Then, any remaining emissions will be offset.

Offsetting means investing in a certified climate protection project that equals the impact made by the product. At the end, the product should have no

net effect on the climate. This effort is validated by the external certification institute DFGE and follows the Greenhouse Gas Protocol and PAS 2050 as well as PAS 2060 standards.

To support the launch of our new climate neutral products, we delivered Climate Neutral Communication guides to our consumer facing colleagues, to help educate our consumers and avoid greenwashing.

Our two offsetting projects focus on reducing GHG emissions by providing rural families with access to clean water. Traditionally, communities purify their water by boiling it over open fires. In Cambodia, modern ceramic water purifiers help communities to avoid cutting down trees for firewood and high-emission open fires, while our Rwanda project supports the setup of boreholes.

Both offsetting projects are Gold Standard certified and support the United Nations third Sustainable Development Goal of 'Good Health and Well Being,' one of the key goals adopted by Lansinoh.

Measurement of Outcome

We have compensated **1,994t CO2e** through supporting the projects related to our climate neutral product portfolio.

1.5 CDP Disclosure

We're proud to be among the 18,700+ companies committed to environmental transparency through CDP. CDP is a global not-for-profit organization whose disclosure and scoring system is recognized as the leading standard of corporate environmental transparency.

In 2022, we were delighted to achieve 'leadership' status with our 'A-' CDP score for climate change. This is an improvement compared to our result from last year of 'B'.

Our CDP score is a strong recognition of the actions and progress we are making towards being climate neutral by 2030 and net-zero by 2050.

2. Environment

2.1 Engagement Within The Company

At Lansinoh we want to nurture a visionary culture and ensure our employees feel included on that journey. This is one of the reasons we provide continuous training; this year we have provided a session on air pollution. This was a live event which featured a guest speaker, Prof. Jim McQuaid, from the University of Leeds. Prof. McQuaid helped to educate us about the current scientific insights on air pollution and answered many questions from our team.

Other company-wide environmental activities included tree planting and celebrating World Environment Day on June 5th. This is what our local teams got up to for the theme of "Only One Planet" this year:

- USA: The team took part in an Extreme Cleanup with Rock Creek Conservancy.
- UK: The team learnt more about where their waste goes by taking part in an educational recycling facility visit.
- FRBNL: Employees were given ½ day to take part in an environmental action of their choice.

Measurement of Outcome

We have been **awarded a 'A-' CDP** rating on climate change which demonstrates our enhanced awareness and governance.

USA: The team took part in an Extreme Cleanup with Rock Creek Conservancy.



UK: The team learnt more about where their waste goes by taking part in an educational recycling facility visit.



- DE: The team went to a nature conservation centre in Berlin and had a guided tour where they learned about the function of moorlands in capturing carbon.
- CN: The team collected clothes for donation and responsible recycling.
- TR - Istanbul: 500 saplings were donated in the names of stakeholders, and electronic certificates were shared with them too.
- TR - Izmir: Completed a trek and clean-up together with a local university. They then participated in a darts and photo competition and a WWF donation and gift certificate were awarded on behalf of the winner.

Our manufacturing site still holds the ISO 14001 for environmental management systems, and meets the standards of Good Manufacturing Practice. We are always searching for improvements within our daily operations; e.g., targeting a decrease in industrial waste intensity of 1% year-on-year (base 2018). A lot of resources have been put into completing the LEED (Leadership in Energy and Environmental Design) certification, such as creating a more sustainable site by fitting a rainwater collection system and ensuring environmentally friendly processes are prioritized. Future efforts will pursue the installation of solar panels on our facility building.

Measurement of Outcome

The industrial waste intensity decreased from 1,95 kg/ Mio ¥ sales in 2018 (base year) to 0 kg/ Mio ¥ sales, meaning **we overachieved our target**. All waste went to either a recycling or energy recovery despite only 7 kg being incinerated.

All water was withdrawn from a municipal potable source and equaled the amount discharged to off-site water treatment.

(Both results are based on Jan - Oct data due to availability at submission deadline).

We take pride in announcing our manufacturing site has received the Gold LEED certificate under the Operations & Maintenance category for existing buildings. This was the first Gold LEED certificate presented in Turkey.

2.2 PhD Sponsorship

Our relationship with Leeds University has continued as we further support the PhD scholarship about “Co-benefits of a low-carbon economy: improved air quality and reduced global warming”. This research is entering its final stage and we’re keen to learn about the results to aide policy decision making in terms of health-related synergies between measures for reducing greenhouse gas emissions and reducing air pollution.

DE: The team went to a nature conservation centre in Berlin and had a guided tour of the moorland.



TR: A lot of resource has been invested into completing the LEED (Leadership in Energy and Environmental Design) certification.



Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2:

Make sure that they are not complicit in human rights abuses.

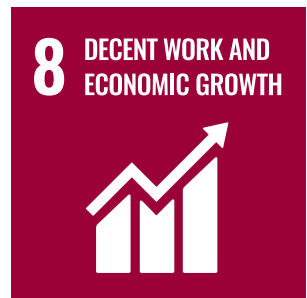
1. Human Rights

We continue to align to our established policies to reflect the protection of internationally proclaimed human rights, and implement more daily practices into our business operations. All related policies are part of our Global Guidebook, which has been signed by all employees.

Following this approach, we've applied for the UN Global Compact Business & Human Rights Accelerator program, which is another step forward in turning our commitment into action. Our agreed target is to set up a robust due diligence process for first-tier suppliers. This is in line with the additional capacities we created by hiring an experienced full-time risk manager.

We have just completed internal training on the evolution of Human Rights.

Our UK branch complies with the Modern Slavery Act 2015 and provides a current statement on their website www.lansinoh.co.uk.



Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:

The elimination of all forms of forced and compulsory labour;

Principle 5:

The effective abolition of child labour; and

Principle 6:

The elimination of discrimination in respect of employment and occupation.



2. Labour

Following our participation in the UN Global Compact Target Gender Equality (TGE) Program in 2021, we have become signatories of the Women's Empowerment Principles (WEPs) to reaffirm our commitment to this agenda.

The TGE program has provided education which has influenced our progress, for example training on non-discrimination, equal opportunities, discrimination and harassment, improving our parental leave policy, and analyzing gender pay gap. The annual self-assessment using the WEPs Gender Gap Analysis Tool revealed a scoring of 57% for 2022. This score means that we are classified as an "Achiever" now, which is one level higher than the year before and is a strong achievement for a company of our size.

We are continuously using education as a tool to improve our culture. The Lansinoh leadership team participated in a Diversity, Equity & Inclusion training. This training is pivotal to understanding the difference between equality and equity and then applying the learnings globally. One way we will do this is by ensuring all employees who take on managerial responsibility take a training course.



TARGET
GENDER
EQUALITY



Similarly, we review our implemented policies every year to ensure they are up to date. Implementational trainings e.g., on GDPR (General Data Protection Regulation) and cyber risks have been conducted. We've established a Speak Up desk as part of our grievance policy. This is a confidential way for any employee to raise governance concerns.

Measurement of Outcome

Our Speak Up desk had **4 cases** submitted in the reporting period. All were handled in a timely manner, with agreements reached between parties.

Every year we conduct a global challenge to bring together employees from around the world. Our second global challenge, "Know your co-worker", started in April and enabled our colleagues to get to know other team members from every corner of the Lansinoh globe. It involved a new volunteer every week (20 weeks) and we asked them to provide true or false questions about themselves that everyone else guessed the answer to.

We continue to offer our employees flexible work arrangements, which allows employees to work up to 50% from home. On top of this we have introduced more employee benefits: all employees have their birthdays off and we have a new sabbatical policy in place. Employees who have completed ten years at Lansinoh are eligible for a three-week fully paid sabbatical so they can recharge and rest.

Our employees also take part in social and community initiatives; we have agreed on at least one social activity per year in each market throughout the whole company. This is interpreted in different ways by the sites. For example, teams have provided “welcome baby bags” and “hope backpacks” for Ukrainian refugees, have collected donations for the local baby bank in the UK, and have introduced a well-being program at our manufacturing site. This well-being program offers dietetics, aromatherapy, and massage sessions.

On top of this, there are many ongoing activities, such as charitable donations to mother- and baby-related institutions. Another great example comes from our team in Turkey, who provide ongoing free breastfeeding seminars to increase awareness of breastfeeding challenges and explain solutions. The seminars are hosted by a well-known baby nurse and breastfeeding specialist Esra Ertuğrul. To date, 810 moms and pregnant women attended 11 breastfeeding online sessions and additional 90 moms participated at 11 in-person workshops.

Measurement of Outcome

33% of our senior leaders at our factory in Turkey are **female**.

Measurement of Outcome

63% of our senior leaders at Lansinoh are **female**.

Our factory in Turkey have continued their success and Great Place to Work® achievements. Great Place to Work® are the global authority on workplace culture. Our factory was named Turkey’s Best Employer and have now ranked 9th in Europe’s Best Workplaces list for medium-sized companies. Based on feedback from 1.4 million from more than 3,000 companies operating in 37 countries, the list reflects achievements in areas such as employees’ perception of fairness and justice, sense of employee belonging, and the relationship between managers and employees. This is a fantastic acknowledgement of the practices and projects being implemented at the factory site.



Measurement of Outcome

Our factory was named Turkey’s Best Employer and have now ranked 9th in Europe’s Best Workplaces list for medium-sized companies



Principle 10:

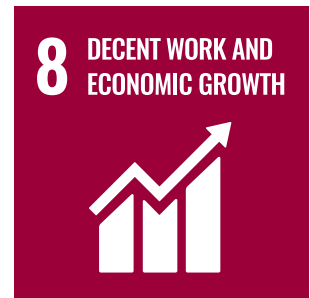
Businesses should work against corruption in all its forms, including extortion and bribery.

3. Anti-Corruption

Lansinoh continues to adhere to its zero-tolerance anti-corruption and anti-bribery policy. We are committed to conducting all work in an honest and ethical manner.

Training on anti-corruption and anti-bribery are carried out on an annual basis for all Lansinoh staff through an eLearning platform. We provide the training in every language spoken at Lansinoh. Our HR team in Turkey conducted their training using a customized employee app. This is supported by compliance and corporate ethics training through our parent company.

We begin incorporating detailed questions about anti-corruption & anti-bribery in our 2022 vendor surveys.



Measurement of Outcome

We have not identified new cases of fraud within the reporting period. We identified one case in 2021 and it has been investigated by external auditors from a third party business consultant. Involved persons are no longer employed at Lansinoh. The case has been closed.

Measurement of Outcome

Legal duties defined by the respective stock market supervision (esp. JSOX) due to our parent company being publicly owned are met.

Measurement of Outcome

Regular audits show our internal procedures are in line with legal requirements.

We extended our activities to align our annual supplier survey with the Self-Assessment Questionnaire, provided by UN Global Compact Japan Network. Results are being published along with our parent company on their web page.

We will add a question to assess the individual supplier performance on gender equality targets and measures.

In addition, our audit scheme has already been amended to drive sustainability awareness

Measurement of Outcome

Most of our first-tier suppliers' activities are aligned with our standards arising from the UN Global Compact ten principles, but the survey identified concerns that we are now addressing.

- Four suppliers are lacking either biodiversity or greenhouse gas emission reduction initiatives. We are in touch with the two main suppliers to address this issue.
- Four suppliers did not review supply chain guidelines in a timely manner. We have informed them of the issue.
- Two suppliers were missing designated persons and thus failed to properly review policies on fair business practices. We have raised the issue with them.
- Two suppliers were missing designated persons and thus failed to properly review policies on harmonious coexistence with local communities. We have addressed the issue and these policies are now in place.
- One of our suppliers was missing an early disaster recovery system. They suffered a natural disaster in 2022 and fortunately recovered. As part of their recovery process they improved these systems.
- One supplier identified partly missing policies and defense measures regarding information security. This has been flagged and mitigation plans are underway.





Committed to the **United Nations Global Compact** corporate responsibility initiative and its principles in the areas of **human rights, labour, the environment and anti-corruption.**





Communication on Progress
for the United Nations
Global Compact

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