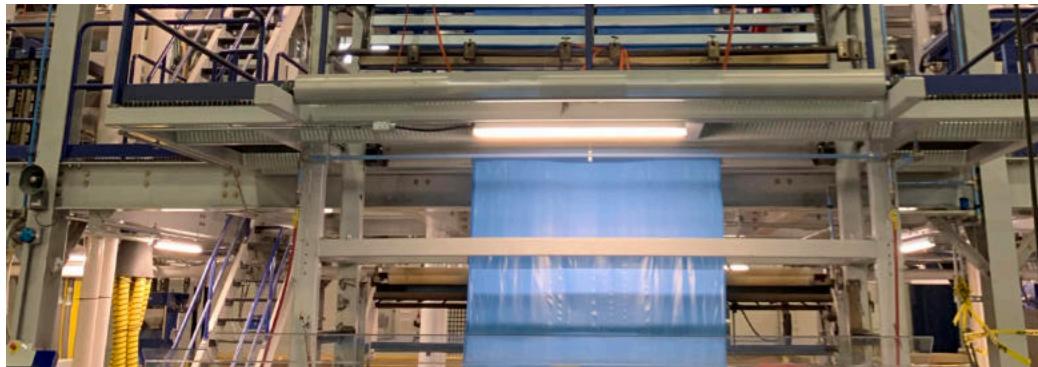




NOVOLEX



2019 SUSTAINABILITY REPORT





The Novolex vision for sustainability is to innovate more sustainable choices for our customers, operate responsibly and invest in our people and communities. We bring this vision to life every day through our ongoing focus on efficiency in our operations, as well as through partnerships with customers, suppliers, communities and others in the industry to develop solutions that reduce the impact our products can have on the environment.



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CEO MESSAGE

Our use of recycled and renewable raw materials, as well as our ability to partner with customers to design products with a variety of functional and end-of-life characteristics, are key reasons our customers rely on us to help them achieve their sustainability goals.

Message from our Chairman and Chief Executive Officer

Everywhere we do business, Novolex products help our customers, consumers and communities. From small family-owned restaurants expanding their delivery and take-out business to global customers seeking innovative and circular packaging, Novolex products provide convenience, keep food safe and accessible, support hygiene and do so much more. The functional and sustainability benefits of our products are vital to the long-term competitiveness of Novolex as well as a source of great pride for our 10,000 employee families.

This year, we began our first companywide materiality assessment, which represents an effort to strategically review and analyze our most significant environmental, social and governance (ESG) accomplishments and opportunities. This process considers our expanding portfolio as well as priorities held by a variety of internal and external stakeholders. A common theme emerging from our

initial findings reinforces the importance of recycled content, which we report as a percentage of total fiber and resin volumes. We want not only to measure but also be transparent about our raw material use and the steps we are taking to reduce associated impacts. New disclosures in this year's report include certified fiber content and a more thorough inventory of greenhouse gases from operations.

Readers will also gain insight into the expanding portfolio of more sustainable Novolex products. Since our last report, we have brought to market several industry-leading products, including our Cutlerease® cutlery dispensing system, 50% rPET clamshells, 75% post-consumer recycled freezer paper, retail bags made with 75% recycled content and a range of fiber-based, non-fluorinated oil- and grease-resistant products. We also increased our use of renewable materials with the introduction of several new products made with molded fiber, sugar cane, wheat straw and bamboo.

Using recycled content, alternative materials and certified fiber in our products represents our continuous commitment to improving the sustainability of our products. However, these innovations must also be balanced with societal health and safety needs and product end-of-life concerns. The world's experience with the COVID-19 pandemic has reminded us of the importance of protective packaging. Products once thought of as a convenience are gaining new recognition for their essential contributions to safety and hygiene in support of our way of life. At the same time, circularity and zero waste have become the consensus goals for packaging.

This is why Novolex looks forward to helping to lead, innovate and participate in the policies and actions that will build the new circular economy. For a system to work and truly create a circular economy, we need parameters and consistent definitions that can be applied across industries, a model that encourages collection and recycling of readily recyclable materials, and robust markets for recycled content. With the benefits of packaging never more apparent, the current environment represents a pivotal time for raw material and packaging manufacturers, NGOs, brand owners, consumers and others to unify in support of policy solutions that address our significant opportunities to expand recycling infrastructure.

Thank you to all who have shared their views in the preparation of this report and are participating with us on this journey. We look forward to continuing our work in sustainability, together.

A handwritten signature in black ink, appearing to read "Stan Bikulege".

Stan Bikulege

ABOUT OUR REPORT

Our vision is to innovate sustainable products for our customers, operate responsibly and invest in our people and local communities.

The Novolex sustainability vision relies on three pillars:



PRODUCTS

Lead the industry by meeting customers' needs for more sustainable product solutions



OPERATIONS

Strive for low-impact manufacturing along the value chain



PEOPLE

Support our employees, their families and communities

Each pillar has played a critical role in our operating and acquisition strategy for several years and continues to influence how we develop products and manage our operations.



LAST YEAR'S inaugural 2018 *Sustainability Report* centered on an initial framework and vision created by the Novolex Sustainability Working Group. This year, in our second annual report, our disclosures continue to be informed by our subject matter experts from different product segment categories and individual brand portfolios, in addition to corporate leaders responsible for functions such as Operations, Innovation, Procurement and Human Resources, who capture the breadth of our sustainability initiatives and provide a vision for the future.

In developing this report, we continue to be guided by widely accepted sustainability reporting standards. These include the Sustainability Accounting Standards Board (SASB) disclosure framework and the Global Reporting Initiative (GRI) framework. A selection of recommended disclosure topics and accounting metrics are present in this report, including an index of GRI criteria met by Novolex. In future reports, we anticipate further prioritizing our reporting disclosures based on widely accepted reporting standards, such as GRI and SASB, as well as what is most meaningful in the current environment. For feedback on the report or any questions, please contact Sustainability@Novolex.com.

Prior to the launch of our 2019 Sustainability Report, we engaged a third party to conduct a comprehensive materiality assessment to further prioritize our reporting. Assessments of internal stakeholders and some external stakeholders were conducted. However, due to the unforeseen circumstances created by the COVID-19 pandemic, we were limited in our ability to collect sufficient external stakeholder feedback needed to complete a thorough assessment in time to include it in this report. The assessment is still in progress and we expect to complete it later in 2020. We look forward to sharing the results in our next report.



ABOUT NOVOLEX

Novolex is a leading provider of packaging and foodservice products suited for a range of industries, with approximately 10,500 employees located across 61 manufacturing facilities and administrative offices. Of these, 57 are located across North America and four in Europe. This footprint allows us to offer an expansive and complementary product portfolio of more than 50,000 unique products or "SKUs," enabling us to comprehensively address the packaging and foodservice product needs of our customers.

Sustainability is a cornerstone of the Novolex brand and culture. For years, Novolex has operated two recycling facilities that specialize in recycling polyethylene films. Our recycling operations support a growing portfolio of environmentally preferable products, and our commitment to sustainability does not stop there. Our portfolio of brands features a variety of products made with certified fiber as well as renewable and recycled content. In addition, many of our products can be recycled, composted or reused. These offerings represent a core component of our growth strategy and are a key reason our customers rely on us to help them achieve their sustainability goals.

MARKETS SERVED AND OUR PRODUCTS

NOVOLEX products touch nearly every aspect of daily life, offering our customers and millions of their consumers convenience, efficiency, safety, hygiene and other benefits. We specialize in providing our customers with products that hold, wrap, protect and preserve the products they make.

We have an ever-expanding portfolio of products, including both traditional and compostable cutlery, tableware and drinkware that provide convenience and hygiene for busy consumers. Our paper and plastic shopping bags are found at retail and grocery stores throughout North America. At quick service restaurants, Novolex packaging products wrap and hold food to maintain quality and integrity, whether carried out or eaten in one of our thousands of foodservice customers' outlets. Our trash can liners provide sanitation for hospitals, foodservice, lodging, janitorial and other industries that need to efficiently, hygienically and safely manage

waste. Our tamper-evident packaging maintains the integrity of freshly prepared food for the rapidly expanding to-go and food delivery segments. Our protective packaging for medicine and other over-the-counter items plays a critical role in protecting products from degradation. In the food processing sector, butter wrap, confectionary packaging and freezer bags, among other products, provide convenience and extend shelf life. Our industrial products include protective barriers that support the longevity of insulation used in home construction.

We serve a diverse customer base comprising over 5,000 businesses ranging from small family-owned restaurants to regional, national and international customers. Our customer base includes leading foodservice distributors, grocery stores, quick service restaurants ("QSRs"), universities, government institutions, retailers and food processors, as well as sanitation, construction and manufacturing companies.

CONTINUING OUR GROWTH

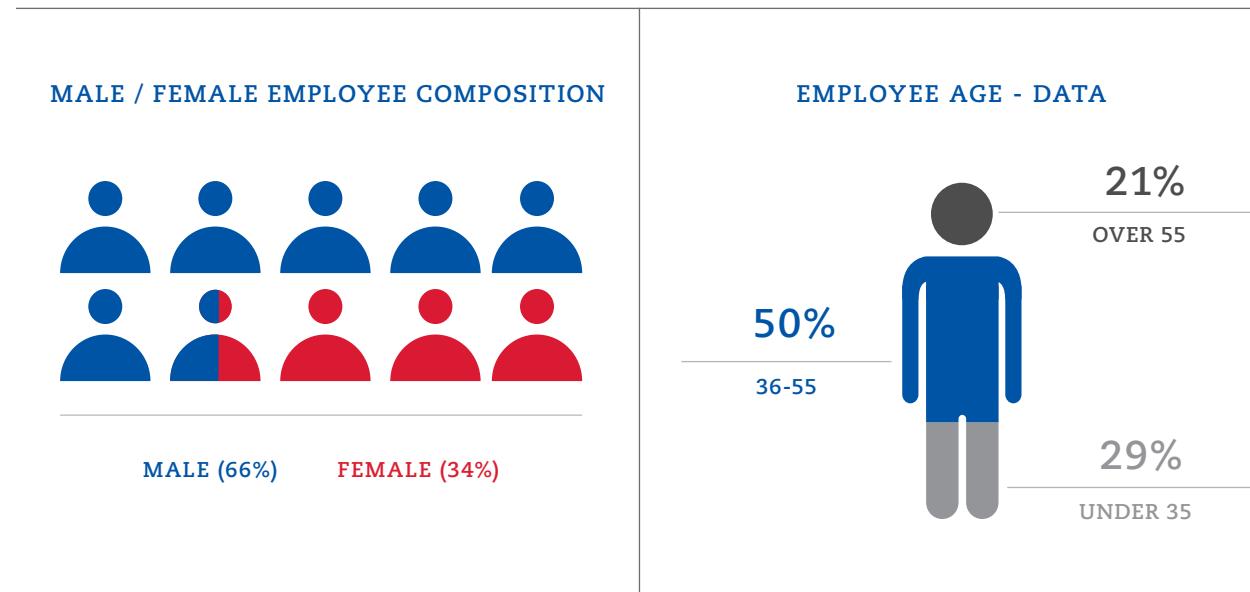
THE NOVOLEX growth story began with Hilex® Poly, our business that today continues to manufacture and recycle plastic retail bags. Organic sales growth has fueled nine acquisitions that built on our strengths in packaging and foodservice product technology, enabling us to expand into other sectors, increase our product portfolio and contribute to our sustainability story.

Zenith Specialty Bag is the ninth acquisition by Novolex since our expansion began in 2013. As with previous acquisitions, Zenith adds to the breadth and diversity of our product lines. A family-owned leader in paper food packaging, Zenith Specialty Bag was founded in 1945. Its headquarters and manufacturing plant, located in City of Industry, Calif., serves customers in multiple grocery and food processing end markets with packaging for prepared sandwiches, wraps, deli and bakery items.

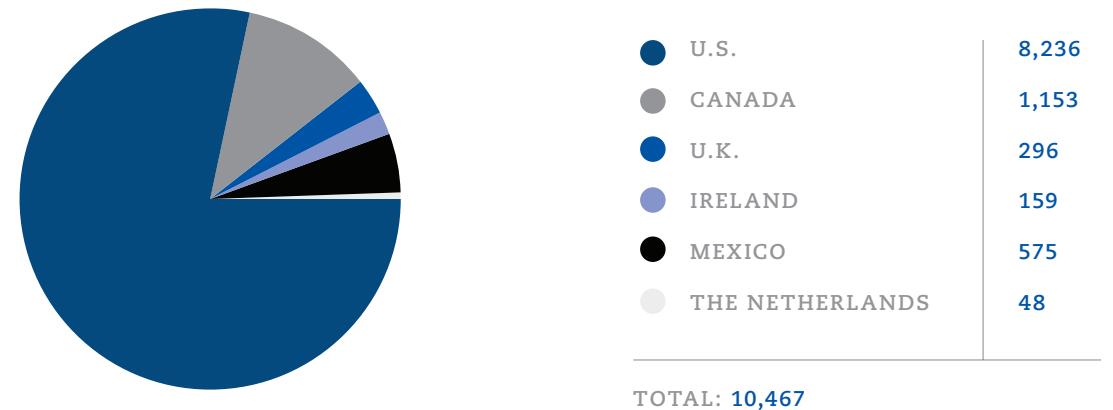


OUR EMPLOYEES

THE 61 NOVOLEX manufacturing facilities and principal administrative offices are located in six countries and employ nearly 10,500 Novolex family members. In North America we operate in 27 states, two Canadian provinces and Mexico. In Europe we operate in Ireland, the Netherlands and the United Kingdom.



TOTAL EMPLOYEE COUNT BY COUNTRY



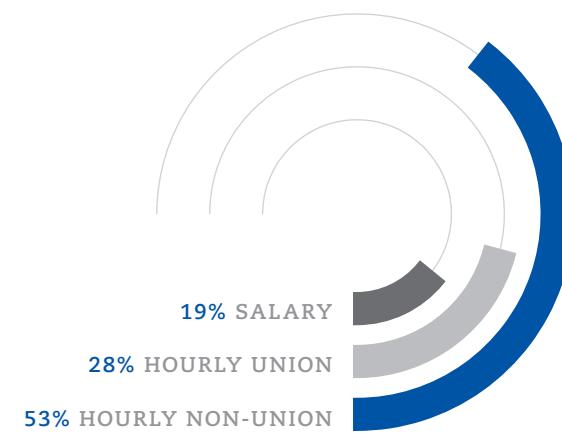
*estimate as of March 2020

GOVERNANCE

NOVOLEX is governed by a Board of Directors and the Novolex Senior Leadership Team. The Board in 2019 was composed of seven directors, including the Chairman and CEO. Diversity is a priority for Novolex, and we aim to improve the diversity of our Board. The Board meets quarterly and reviews the company's sustainability-related strategy, objectives, policies and performance on a regular basis. There are two standing committees of the Board – the Audit Committee and the Compensation Committee. Novolex became a portfolio company of The Carlyle Group in 2016. The majority owner, Carlyle, is one of the world's largest and most diversified global investment firms, managing 374 investment vehicles that invest across four segments, 10 core industries and six continents.

The Senior Leadership Team is composed of 10 members, including our Chairman and CEO, and oversees the company's sustainability activities, which are implemented by multiple functions and businesses across the company. In 2019, the company created a new position of Senior Vice President, Corporate Affairs whose responsibilities include oversight of sustainability and related public policy matters, and also appointed a dedicated Director, Sustainability who oversees sustainability-related reporting, communications and customer engagement. The Director also chairs the Novolex Sustainability Working Group, which supports the preparation of the company's annual sustainability report and incorporates the accomplishments of Novolex family members across all aspects of the business.

EMPLOYEE CATEGORIES - ALL NOVOLEX



PARTNERSHIPS AND POLICY

AS NOVOLEX has grown, so has our understanding of the role we play in leading constructive change in both industry and public forums. To reduce the impact our products can have on the environment, we engage with stakeholders in communities, government, academia, industry and non-governmental organizations (NGOs) to identify pragmatic, scalable solutions that can advance the circular economy.

Partnerships

The organizations we work with include the American Institute for Packaging and the Environment (AMERIPEN), American Recyclable Plastic Bag Alliance, Californians for Recycling and the Environment, Flexible Packaging Association, Florida Recycling Partnership, Plastics Industry Association, American Forest and Paper Association, Sustainable Packaging Coalition, Alliance to End Plastic Waste, Foodservice Packaging Institute, US Composting Council, Pack2Go Europe, Recoup and others. These organizations, along with research partnerships and other relationships, involve stakeholders who share common goals related to our diverse product base and whose individual voices are amplified through collaboration.

Policy

Novolex supports a variety of science- and fact-based public policies that support the circular economy, improve infrastructure, educate consumers and facilitate sustainable development within our communities.

As we look back at 2019 and plan ahead, the creation of adequate recycling and composting infrastructure remains a common and persistent need in our communities that must be addressed to reduce reliance on landfills and keep waste out of the environment.



ADDRESSING PLASTIC WASTE AROUND THE WORLD



Some issues extend beyond borders and call for a multilateral approach, such as plastic debris in the oceans. In 2019, Novolex joined the [Alliance to End Plastic Waste](#), a not-for-profit organization founded in 2019 to help address the flow of plastic waste into the environment. Alliance members want a world that is free of plastic waste to protect our natural resources and the ecosystems that communities everywhere depend on. This calls for swift action and strong leadership, which is why we support the Alliance and its mission.

Fifty companies comprising businesses across the plastics value chain – from suppliers of raw materials to manufacturers of finished goods – have joined the Alliance and are united behind the mission of ending plastic waste in the environment. Together, members have committed \$1.5 billion to fund and incubate projects and programs that will recover and create value from plastic waste. This is not nearly enough. However, this important work will help design and pilot solutions that demonstrate the feasibility of truly scalable solutions and secure the financial support from private investors, development banks and governments needed to deliver truly transformational change.

RECOUP

We are proud members of [RECOUP](#), a recycling nonprofit, which in turn is a member of The UK Plastics Pact. Members and partners of these organizations are at the forefront of generating a fundamental change in the way we design, produce, use, re-use, dispose and reprocess plastics.

WHAT IS THE CIRCULAR ECONOMY?

A circular economy aims to redefine growth by looking beyond the current production model of extracting resources from the earth, making them into something and then disposing of them. A circular economy focuses on producing society-wide benefits by designing out waste and pollution, keeping products and materials in use and regenerating natural systems. Novolex contributions to the circular economy are referenced throughout this report.

Recycling Markets

Recyclers, including Novolex, have faced significant challenges in recent years. In many cases, the current economics of recycling hinder the pace of progress needed to create robust recycled content markets. This includes the lack of investment in sufficient detection and separation technologies necessary to recover materials from post-consumer waste that do not fit the traditional commodity classes of PET and HDPE rigids. We need widespread investment in recycling to collect a broad range of readily recyclable materials, which is why Novolex participates in industry associations that seek to understand and apply standards for recycling.

Working Towards Solutions

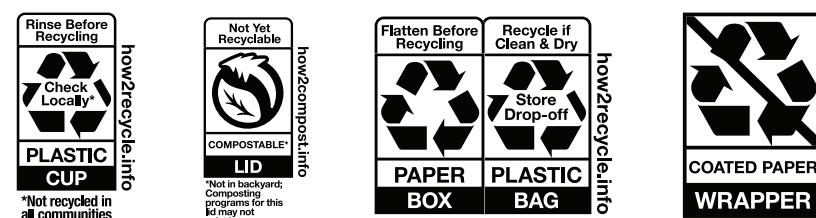
Novolex aims to be part of the solution for recycling markets. We participate in industry forums that focus on design standards and consumer labeling – both of which serve as important steps in improving recovery and reducing contamination in recycling streams. For years, through our Bag-2-Bag® program, we have partnered with retailers, grocers and waste haulers to collect and recycle plastic retail bags and other films. We also participate significantly in end markets for recycled content by purchasing post-consumer recycled (PCR) content for use in our own products. For more information on Novolex purchases and use of recycled content, see pages 18-21.

As a manufacturer of recyclable products as well as the operator of two plastic recycling facilities, Novolex possesses significant expertise in recycling supply chains, and we want to use that expertise to help shape the future of recycling. In partnership with communities, policymakers, NGOs and the packaging industry, our goal is to help develop harmonized recycling solutions that are workable on a large scale and have the potential to remain economically viable for years to come.

Labeling

Consumer understanding and education are key factors necessary for the success of recycling. We believe that for an item to be labeled as "recyclable," it needs to be able to be collected, sorted, processed and sold for use in another manufacturing process.

For this reason, many of our products use the How2Recycle® label, a standardized labeling system that clearly communicates recycling instructions to the public. Along with many of the largest consumer goods manufacturers, grocers, packaging providers and others, Novolex is a proud member of the How2Recycle program. We work with many of our customers to display the appropriate recycling designation on applicable product material categories.



How2Recycle labels guide consumers on the best disposal option. In some cases, that can mean a package cannot be recycled and must be disposed of in the trash.

Commercial Composting

While an increasing number of governments, companies and individuals are embracing commercial composting, the processing infrastructure required to divert food scraps and compostable packaging from landfills continues to lag behind demand. As a manufacturer of products made with compostable fibers and resin, we know that scale is critical to building a flourishing circular economy.

Working Towards Solutions

Novolex participates in industry coalitions that advocate for and develop composting infrastructure. We focus on addressing the core issues facing commercial composters, such as contamination, economically viable end markets and policy solutions. Some of these organizations include the US Composting Council®, Biodegradable Products Institute, Foodservice Packaging Institute, the Sustainable Packaging Coalition and many state-based composting organizations.

Innovation at Novolex focuses extensively on designing products for commercial composting. We work with organizations like the Compost Manufacturing Alliance (CMA) to support the development of field testing protocols. Our Eco-Products business was among the first supporters of CMA, working with composters to test and confirm that its products break down successfully at different types of commercial composting facilities.

We also support broad efforts to address product functionality and food safety through a relationship with the [Iowa State University Polymer and Food Protection Consortium](#). Part of the university's Department of Food Science and Human Nutrition, the Consortium's world-class testing facilities assess polymers, including bio-based polymers, for performance characteristics that can facilitate inclusion in compost waste streams.





Products



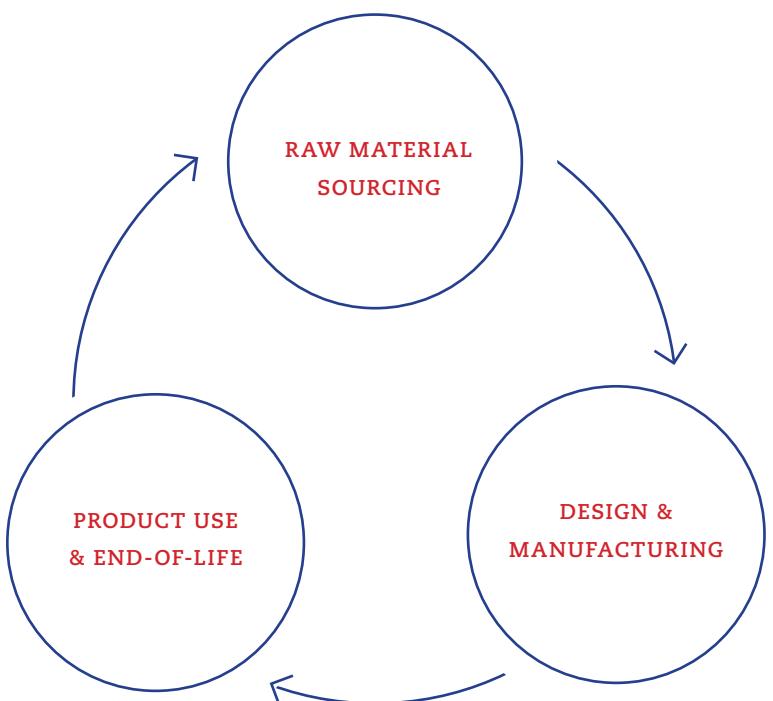
A PPROACH TO PRODUCT DEVELOPMENT

OUR CUSTOMERS DEPEND ON US TO HELP SOLVE A VARIETY OF SPECIFIC CHALLENGES. WITH OUR BROAD PRODUCT OFFERING, NOVOLEX CAN OFFER CUSTOMERS A SINGLE POINT OF CONTACT FOR ADDRESSING A RANGE OF FUNCTIONAL AND SUSTAINABILITY REQUIREMENTS.

IN PARTNERSHIP WITH OUR CUSTOMERS, WE STRIVE TO IDENTIFY RAW MATERIALS THAT AFFORD BALANCE BETWEEN SOCIETAL NEEDS, GREENHOUSE GASES AND PRODUCT DISPOSAL. EACH OF THESE CONSIDERATIONS ARE RECOGNIZED AS IMPORTANT COMPONENTS OF THE PRODUCT DEVELOPMENT APPROACH.

PRODUCT LIFECYCLE

AT NOVOLEX, we take a holistic view of the total lifecycle of our products. This includes consideration of environmental, economic and social impacts and benefits across different phases of the value chain – from sourcing and manufacturing to product use and disposal. When viewed through this lens, each raw material in our portfolio presents challenges and opportunities. Resins derived from fossil fuels, as well as plant-based materials such as fiber, molded fiber and resin derived from plants, all have a different profile in terms of their relative value to society and impact on the environment. Products derived from each type of raw material also may warrant an assessment of the impact of their supply chain such as the resources used to manufacture materials or the transportation methods used to deliver materials to our facilities. For example, recycled raw materials may create a similar end-of-life profile as their virgin counterparts, but the sourcing and manufacturing footprints for finished products may vary. For products of every raw material type and product class, upstream and downstream impacts must be considered, and there is no one perfect solution.



Resin-based products, derived from oil and natural gas, have among the lowest carbon footprint and greatest breadth of performance qualities of any raw material. Like many companies that sell products derived from fossil fuels, we invest significantly in raw material optimization and, increasingly, in design to support greater recyclability. Fiber-based products draw from renewable resources, are widely recyclable when clean and dry, and under appropriate conditions degrade in landfills or compost. Increases in global demand for fiber necessitates consideration of deforestation impact, and verification of responsible sourcing practices. Emerging classes of renewable raw materials represent an exciting area of product development. However, supply constraints, recovery and composting infrastructure limitations require improvement of both the beginning- and end-of-life profiles of these products. Regarding the many emerging raw materials, one thing is certain: Novolex will continue to push the boundaries of the performance limits of these materials.

RAW MATERIAL SOURCING

WE CONTINUE to explore the potential to further reduce environmental impact by replacing virgin-sourced materials with more recycled content in our products. Using recycled content has many benefits, including diverting waste from landfills and reducing the need for resources to produce raw material. Additionally, markets for recycled content play an important role in driving circularity.

For these reasons, Novolex reports post-consumer recycled (PCR) content as a percentage of total volume. In this year's report, we include both 2018 and 2019 recycled content data for fiber and resin and have updated the accounting methods for both materials. Our fiber metric now includes both recycled and certified fiber as percentages of total volume. Our resin metrics remain the same. However, the 2018 PCR and post-industrial (PI) recycled content percentages have been updated to be consistent with our new accounting method.

Resin Sourcing

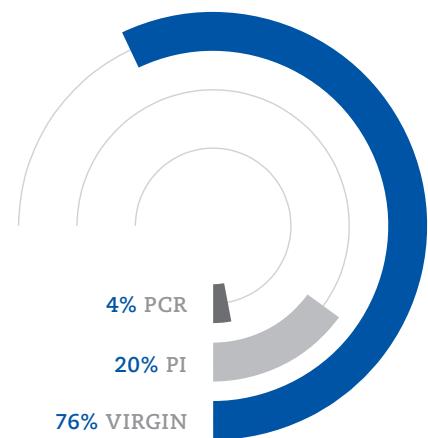
In 2019, Novolex purchases of PCR increased in both total pounds and as a percentage of total resin volume. After rounding, our 2019 PCR volumes stand at 4% of total volume. PCR use in 2018 was also 4% of volume, not 6% as originally reported. This change in reported percentage accounts for an increase in overall volume, as well as our new accounting methodology, which we applied to both our 2018 and 2019 reported numbers.

Looking ahead to our 2020 reporting year, we anticipate a challenging environment in recycling markets. As 2020 began, we saw disruption due to COVID-19 in collection and processing of some recyclables, temporary stays on legislated use of recycled content in multiple states and a stark decrease in virgin resin pricing. The combination of all these factors are impacting customer preference and marketplace competitiveness of PCR. Looking beyond 2020's extenuating circumstances, the next several years will prove important in demonstrating the future direction of North American recycled content markets.

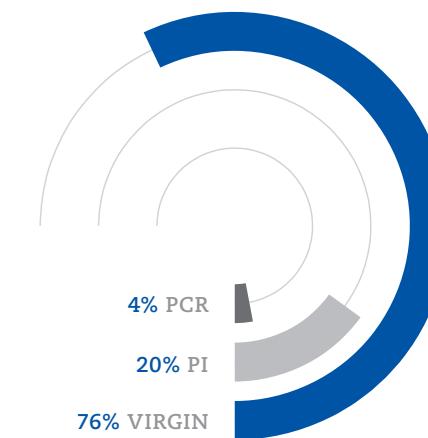
Together, recycled and certified content can play an important role in meeting our customers' sustainable fiber sourcing goals. In this year's report, Novolex is reporting on both the percentage of PCR and COC-certified virgin fiber volume. In 2019, 69% of our fiber volume was either PCR or certified content, an increase of 4% over 2018.

For virgin fiber that is not COC-certified, we still take steps to ensure fiber comes from a responsible source. Over 99% of paper converted in Novolex manufacturing facilities is purchased from suppliers that are certified to Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) or the Programme for the Endorsement of Forest Certification™ (PEFC™) standards. Additionally, we regularly conduct supplier assessments and audits to verify that non-certified fiber is sourced from areas not at high risk for deforestation impacts.

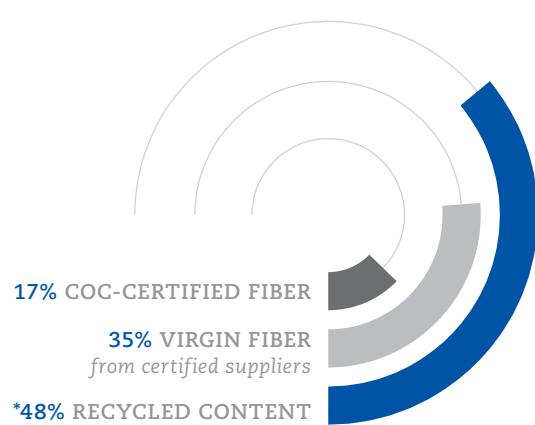
2018 RESIN SOURCING



2019 RESIN SOURCING

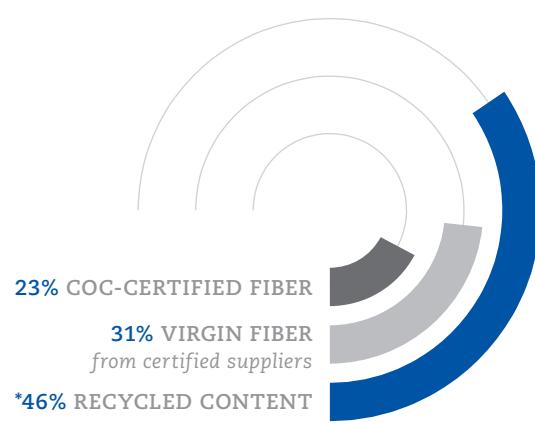


2018 FIBER SOURCING



*This figure may include 5% or less of non-PCR content

2019 FIBER SOURCING



*This figure may include 5% or less of non-PCR content

Fiber Sourcing

Our approach to responsible fiber sourcing focuses on reducing environmental impacts by using more recycled fiber. We prioritize the use of recycled fiber because of its potential to support circularity. In 2018 and 2019, the percentage of recycled fiber in our supply chain was nearly half our total procured fiber volume. While the overall percentage of recycled content in our portfolio decreased by 2%, this was due to increases in overall volume. Our total pounds of purchased recycled fiber increased from 2018 to 2019.

When use of PCR material is not possible, for example in most direct food contact applications, we focus on procuring Chain of Custody (COC)-certified content traceable to the wood fiber original source. In 2019, 23% of virgin fiber purchases were COC-certified, representing an increase of 6% over 2018. We are encouraged by innovations being pursued by paper mills that would enable PCR materials to meet U.S. Food and Drug Administration ("FDA") food contact regulations. As these markets mature and more supply becomes available, we hope to have more opportunities to use PCR fiber in food contact applications.



WHAT IS CHAIN OF CUSTODY CERTIFICATION?

Chain of Custody certification traces the path of products from forests through the supply chain back to its source and is considered the highest standard for sustainably sourced virgin fiber.

For more information on different forestry certification programs, please visit [Forest Stewardship Council \(FSC®\)](#), [the Programme for the Endorsement of Forest Certification \(PEFC™\)](#) and [Sustainable Forestry Initiative \(SFI®\)](#).

PRODUCTS MADE WITH RECYCLED CONTENT

In 2019, Novolex introduced multiple products in North America made with 25-50% rPET.



Many Novolex retail bags, produce bags and can liners are made with recycled content. Below, an image of a plastic retail bag made with 75% recycled content.



Novolex manufactures a significant number of products that use recycled fiber in secondary food applications. Below, freezer paper made with 75% PCR.



Increasing use of Recycled Content

In 2019, two Novolex businesses announced their participation in the Association of Plastic Recyclers' Demand Champions program. The Demand Champions campaign aims to expand the market for recycled plastics by driving investment, increasing supply and producing more high-quality post-consumer resin.



BlueStripe Cold Cups

Eco-Products increased the amount of rPET in its Blue Stripe Cold Cups from 25% to 30%.



Reflections Renew Cutlery

Made in the USA, Reflections Renew cutlery includes knives, forks and spoons. New product lines now feature 20% post-consumer recycled polystyrene. This product was awarded 2nd place in the 2019 Foodservice Packaging Institute's Innovation in Manufacturing awards category.



Albertsons and DublLife

In 2019, Novolex and Albertsons Companies partnered to transition from traditional white prescription bags to a new recycled brown bag at 1,700+ locations across the United States. The switch to the DublLife kraft paper prescription bag is expected to save more than 5,000 trees annually.

Made with 100% recycled content, the new pharmacy bags include 60% post-consumer recycled content, making Albertsons Companies the first major pharmacy chain to offer this type of bag. The fiber in the new bags is certified to meet the Forest Stewardship Council (FSC) standards for recycled content and is Rainforest Alliance Certified.

The bags will be used at all Albertsons Companies pharmacies, including Safeway, Vons, Jewel-Osco, Shaw's, Acme, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market, Haggen and Carrs. Albertsons Companies plans to fully transition all its pharmacy locations to the recycled bags by the end of 2020.

REDUCTION

FOR YEARS, Novolex has worked to optimize the use of raw material in its facilities. More recently, that work has taken on new significance as we have combined these efforts with innovation to eliminate or reduce packaging where possible.



Cutlerease

The Cutlerease® dispensing system releases one piece of plastic cutlery at a time – handle first – without creating contact with a tray, box or drawer. This hygienic system reduces waste in foodservice settings, providing an alternative to packets that contain sets of forks, knives and spoons. This system helps prevent plastic from unnecessarily entering landfills because patrons take only the cutlery they need.



The Cutlerease system can use either traditional plastic or compostable cutlery.



Strawless lids

In response to shifting restaurant and foodservice trends, Novolex innovated an extensive line of strawless lids that accommodate a variety of beverage types.



EcoSense® Plates, Trays and Serving Utensils

Using a Green Circle®- certified recycled resin, EcoSense products use at least 20% less plastic material and 60% less virgin resin while maintaining performance^[1]. Additionally, these products are dishwasher safe and microwaveable, providing greater reusability.



Souvenir cups

For years, Novolex has manufactured dishwasher-safe, reusable cups for our customers. Made from polypropylene, souvenir cups provide an option for consumers that can be used again and again.



Tamper-evident containers with no tear strip

Small plastic packaging components can be difficult to recycle. To help support non-bottle PET recycling where facilities exist, Novolex engineered a tamper-evident package, called Smart-Tab™, that reduces small packaging waste. The design feature allows for tamper-evident packaging to be sealed and opened without creating extra waste.

Shields® Films – Thinner films without sacrificing performance

In our Shields® custom films business, product engineers are in constant pursuit of higher performance, thinner-gauge films to optimize use of raw material and reduce carbon footprint. Since 2017, “downgauging” film thickness has seen significant improvement across a range of products, driven by engineered technical improvements as well as new resin technology.



Stretch Hooder Film

Automated stretch hooder systems require films with high degrees of strength for packaging and shipping a range of products – from kitchen appliances to corrugated boxes. Over the last several years, efforts in this area have seen our standard hooder film products reduce raw material usage by 20%.

Bladder Film

Used to contain, transport and dispense liquids of many kinds, bladder films also require strength and performance. Since 2015, standard thickness for Novolex bladder film has been reduced by nearly 30%.

[1] Uses 20% less plastic and reduces carbon footprint by 50% compared to polystyrene counterparts.

COMPOSTABLE PRODUCTS

Vanguard

Vanguard™ molded fiber packaging, made from reclaimed sugarcane fiber, uses proprietary compounds to achieve grease-resistance without the use of conventional fluorinated chemistry, known as PFAS. Vanguard also meets BPI's latest requirements for compostability certification that went into effect on Jan. 1, 2020, an industry first for this product category.

Our Vanguard line of molded fiber products won First Place in the Innovation in Manufacturing category at the 2019 Foodservice Packaging Awards.



TO PROVIDE CUSTOMERS with choice, Novolex also recently launched several additional non-fluorinated product categories with oil- and grease-resistance, some of which are compostable.



Dubl Shield® Insulated Sandwich Wrap



EcoCraft® Paper Wrap & Liner



EcoCraft Sandwich Bag

NOVOLEX RELIES ON STANDARDS, certifications and field testing to determine and verify compostability for many products. Standards include those issued by ASTM International – including ASTM D6400 (for bioplastics) and ASTM D6868 (for fiber-based items). We also pursue certifications issued by the Biodegradable Products Institute (BPI) and participate in field testing with the Compost Manufacturing Alliance (CMA) and Cedar Grove, among others.



BioTuf

BioTuf® compostable can liners.



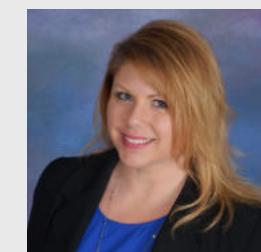
Meat and Produce trays

Launched in 2019, compostable meat and produce trays made from sugarcane are freezer safe and microwave friendly. Soak-proof versions are lined with PLA, a plant-based plastic.



GreenStripe

EcoProducts' Greenstripe line provides foodservice operators with a suite of compostable options. New for 2019, EcoProducts foodservice ware is now available in select retail outlets and online.



ADRIANNE TIPTON, PhD
Senior Vice President, Innovation

"Our commitment to innovation starts at the highest levels of leadership and resonates throughout the organization. In order to provide customers with choice, we stay on the leading edge of current research and pursue testing and certifications that advance our product innovation efforts. This can include developing products that follow emerging industry guidance on potential chemicals of concern, tracking evolving standards for compostability and more. Examples include our growing portfolio of non-fluorinated oil- and grease-resistant products as well as new products with various adhesives and water-based barrier coatings that meet ASTM International's standards and the Biodegradable Products Institute's (BPI) requirements for compostability."

Operations



A

AT NOVOLEX, WE TAKE PRIDE IN REDUCING OUR IMPACTS ON THE ENVIRONMENT ACROSS OUR MANUFACTURING OPERATIONS. TO OPERATE SUSTAINABLY, WE IMPLEMENT A VARIETY OF STRATEGIES. THESE CAN INCLUDE USING RECYCLED CONTENT, OPTIMIZING THE USE OF RAW MATERIALS, INVESTING IN ENERGY EFFICIENCY AND REDUCTION MEASURES, AND REDUCING THE AMOUNT OF WASTE SENT TO LANDFILLS. WE ALSO ENCOURAGE OUR EMPLOYEES TO SHARE IN THE RESPONSIBILITY FOR REDUCING OUR ENVIRONMENTAL FOOTPRINT, CREATING A CULTURE THAT VALUES AND DRIVES IMPROVEMENTS IN OPERATIONAL SUSTAINABILITY.



THE NOVOLEX ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) sets out our standards for environmental performance across the company. Our Director of Environmental Compliance oversees operational impacts across our diverse operational portfolio. Working with our local environmental, health and safety (EHS) managers, we work on a facility-by-facility basis to identify operational impacts of our sites, whether on air, water or waste, and develop a plan to reduce any potentially negative impacts. Our plans are driven not only by relevant environmental regulations, such as emissions reporting, but also our voluntary commitments related to non-hazardous waste and greenhouse gas emissions. We train our EHS professionals at the site level to monitor and manage these impacts, including offering professional training courses on environmental management. We maintain regular communication between our sites and corporate-level EHS teams, with periodic visits to each manufacturing location.

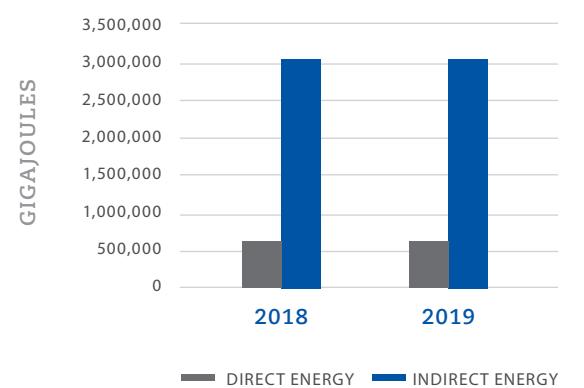
All Novolex facilities comply with federal, state and local environmental regulations. We regularly conduct audits – both internally and with third parties – of each site to review compliance with regulations, evaluate programs and review processes. We incorporate audit findings into our policies, regularly updating them to reflect best practices to reduce the environmental impacts of our facilities.

In the coming years, Novolex plans to better understand and quantify our operational environmental impacts. In particular, as a company that has grown through acquisitions, we are working to establish best practices in data collection, monitoring and reporting across the business.

EMISSIONS AND ENERGY

NOVOLEX is committed to reducing our contribution to global emissions. In 2019, we improved our data collection processes to include the emissions data from all our global manufacturing operations. These improvements were also applied to 2018 data as we continue to build a robust baseline inventory. Energy use is a significant driver of emissions at our manufacturing facilities, with most of our energy use coming from natural gas and electricity. Recognizing the impact of our energy use, we continue to prioritize energy efficiency improvements at our plants that enable us to continue reducing emissions. Examples of those investments are included below.

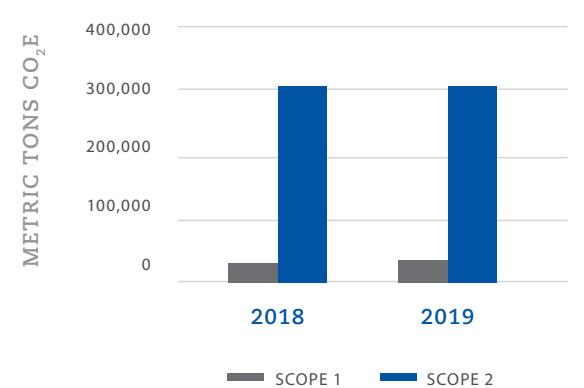
TOTAL ENERGY CONSUMPTION



MEETING CUSTOMER GOALS

We recognize that our customers have set ambitious sustainability goals. We engage with our customers to identify areas where we can help drive their environmental performance in a positive direction.

TOTAL GHG EMISSIONS



SCOPE	GHG Emissions (Metric Tons of CO ₂ e)	
	2019	2018
Total Scope 1	30,246	27,895
Total Scope 2 (Location-Based)	280,226	279,416
Total Scope 2 (Market-Based)	288,951	288,134

From 2018 to 2019, our Scope 1 emissions increased by 8% due to an increase in production. In 2019, our Scope 2 emissions remained relatively the same compared to 2018. In 2020, we will begin purchasing renewable energy to further reduce our emissions as a company.



WATER CHILLER SYSTEM – CHELMSFORD, MASS.

In 2018, Novolex acquired The Waddington Group, adding both injection molding and thermoforming technologies to Novolex manufacturing capabilities. Both thermoforming and injection molding use heat to manufacture products. In thermoforming, plastic sheet is heated to a pliable forming temperature. In injection molding, both heating and cooling are important parts of the manufacturing process. Injection molding uses heat to melt resin or pellet into a liquid, which then can be poured into molds to make specific shapes.

Both heating and cooling require energy, which makes efficiency in operations important. Recognizing opportunities to improve chilled water flow, retain temperature and reduce overall water use, Novolex engineers pursued an investment to overhaul the water processing system in our Chelmsford, Mass. facility by using chilled process loops to pump cooled water through pipes to cool equipment and tools in the injection molding operation. Manufactured with a very precise amount of raw material that reduces waste, injection molded products are then cooled and hardened into finished product.

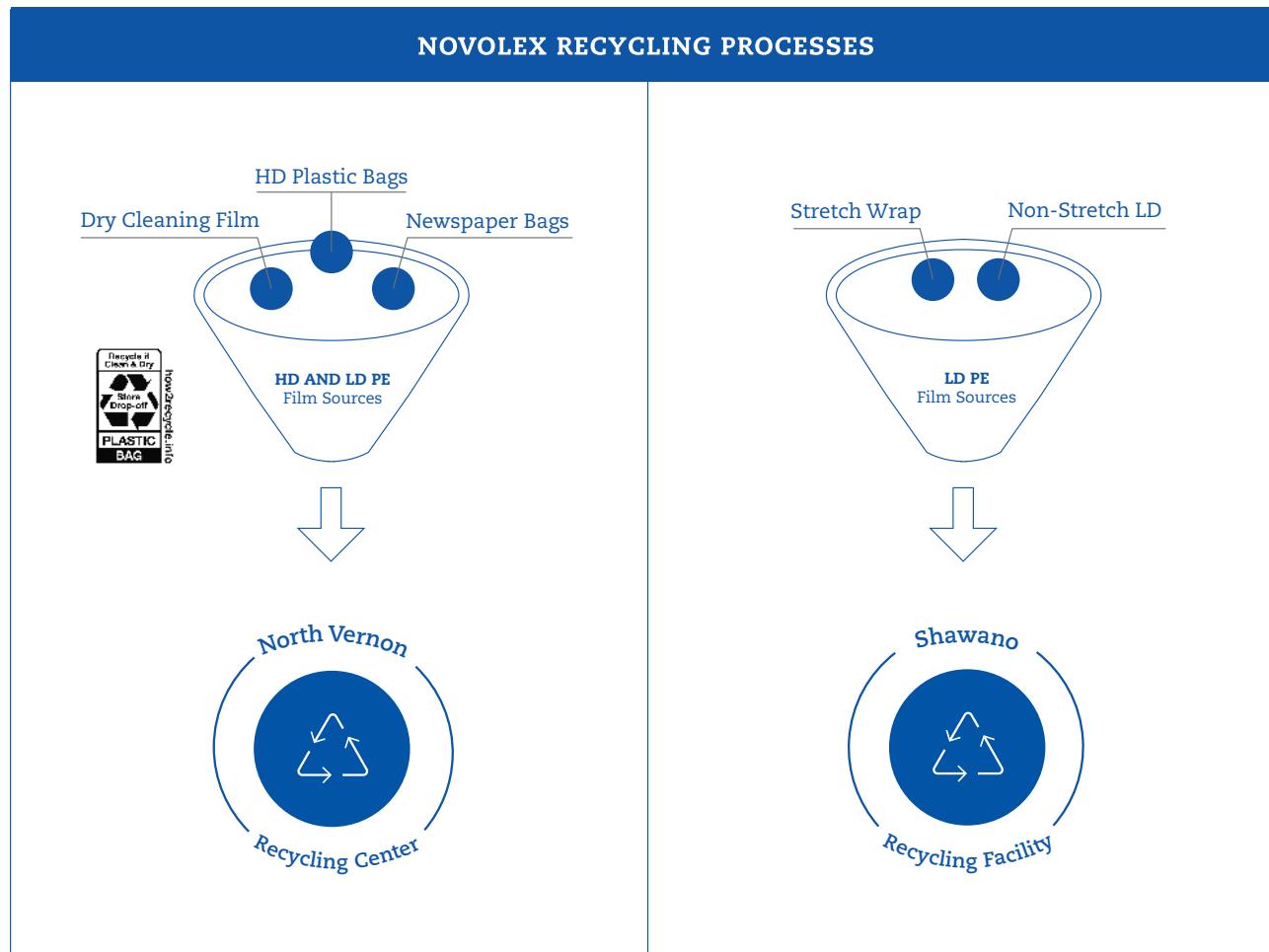
Other regulated emissions

At Novolex, we have implemented environmental management systems processes to track permits related to emissions such as volatile organic compounds (VOC), nitrogen oxides (NOx) and sulfur oxides (SOx). To track implementation of our environmental management systems, we conduct internal audits annually focused on compliance management.

We comply with federal and local regulations in all the locations we operate in and continue to evaluate measures to reduce emissions in our operations. In the future and as stated above, we endeavor to establish tracking and reporting methods for companywide data sets related to these emissions.

WASTE DIVERSION AND RECYCLING

ALL NOVOLEX facilities have incentives in place that aim to minimize manufacturing waste through source reduction, reuse and recycling programs. We have implemented processes to ensure internal waste streams are captured, sorted and reused in the manufacturing process. These programs look different based on the raw material type. The goals, however, remain the same – optimize the use of raw material and minimize waste.



Flexible films

In our polyethylene films-based businesses, which includes retail bags, can liners and a range of specialty and custom films, we leverage our complementary operations to reduce waste sent to landfills by using our recycling facilities to turn post-industrial scrap from one facility into raw material in another. Reuse and recycling of films serve to further reduce the already-low carbon footprint of flexible packaging.

In our two recycling facilities, these processes vary to accommodate different waste material streams.



Our North Vernon, Ind. facility has historically specialized in high molecular weight high-density polyethylene (HDPE) film recycling. However, with shifts in packaging design and the rise of "Store Drop Off" labeling, the concentration of low-density film types has increased. Today, the facility processes not only post-consumer high molecular weight HDPE but also low-density polyethylene (LDPE) and linear low-density polyethylene (LLDPE) items such as retail bags as well as HDPE plastic film from dry cleaning, produce, newspapers, paper towel wrappers and other over-wraps, resealable bags and more. The shift in the types of products recycled has driven innovation at Novolex so that we can support a growing number of low-density PE products, along with traditional HD-centric streams.

Our North Vernon facility uses a wet and dry process to filter out contaminants, compound material for processing and use in thin-gauge film applications. We combine post-consumer scrap bales sourced from retailers and waste

haulers, with our own post-industrial waste streams, such as handle "cut outs" from plastic retail bags. Use of post-industrial content, which is cleaner, helps Novolex use more post-consumer materials in our proprietary resin blends. These blends of post-industrial and post-consumer materials are important for use in thin-gauge films because the higher quality of post-industrial streams helps address challenges brought by post-consumer material.

The manufacturing technology exists to use up to 100% recycled content in plastic bags, and recently Novolex has manufactured bags containing 75% or greater recycled content. However, there are trade-offs that come with the increased use of recycled content. Bags with higher recycled content, or resin made from used bags, often results in bags that are gray, tan or blue. We continue to work with our customers to provide bags that balance packaging design requirements and use of recycled plastics.



For the last several years, Home Depot and Novolex have partnered to increase the amount of recycled content in their branded retail bags. Home Depot retail bags now contain at least 30% recycled content and are certified by SCS Global Services.

BAG-2-BAG

For years, Novolex has partnered with local retailers and grocers across the nation to install plastic bag drop-off sites for the [Bag-2-Bag® program](#). Many municipal recycling facilities lack the proper equipment to efficiently collect and process plastic films. For this reason, some facilities (commonly referred to as "MRFs" or Material Recovery Facilities) exclude plastic films from their collection programs, even though they are highly recyclable. Recognizing early the need for solutions, Novolex invested in vertically integrated plastic bag manufacturing and recycling plants that process materials collected through Bag-2-Bag.

[There are more than 18,000 locations across the U.S. and Canada that collect plastic film for recycling.](#)



Katie Bohm, Office Coordinator, and Ryan LaRock, Production Supervisor, stand in front of "clean" PCR scrap at the Shawano recycling facility.

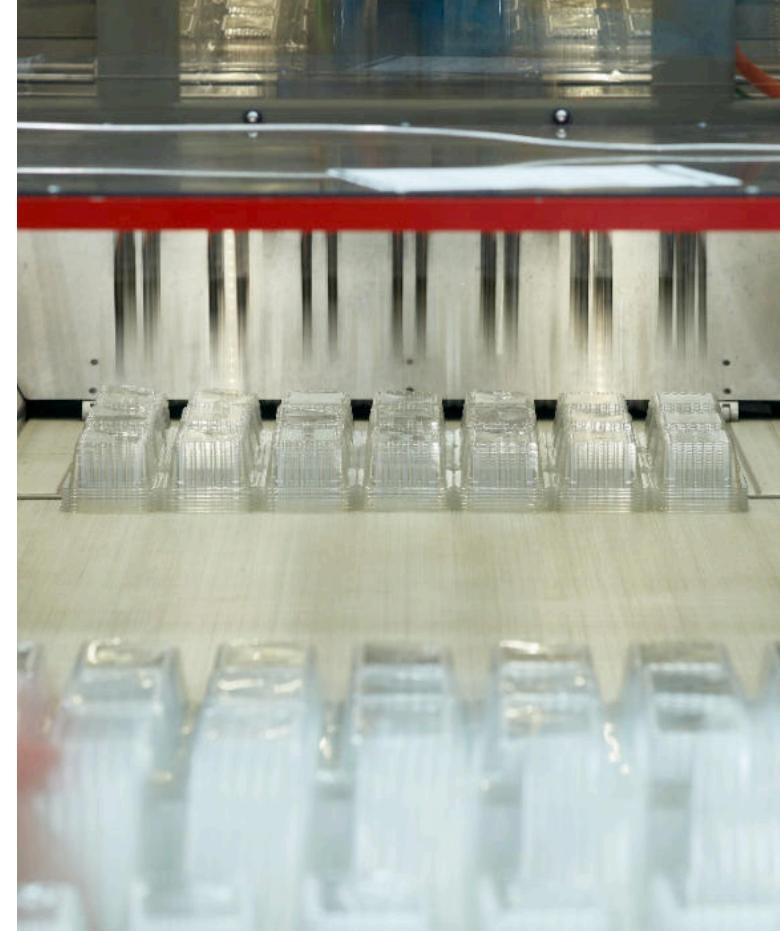
Shawano, Wisc.

Our Shawano, Wisc. facility specializes in recycling linear low-density (LLD) "stretch wrap," often sourced from distribution centers. This material is considered post-consumer material, even though it comes from commercial enterprises, because it has entered the marketplace and been reclaimed and sold back into the marketplace for recycling. The Shawano facility also recycles post-industrial film. As a result, the facility's 25 million pounds of recycling capacity is roughly divided equally between processing post-consumer and post-industrial streams. Material recycled in Shawano is increasingly manufactured into resin for thicker bags, which includes some retail bags as well as can liners.

Rigid plastics

In the Novolex rigid plastics businesses, products are manufactured using two primary processes: thermoforming and injection molding. Injection molding injects a precise amount of liquid resin into a mold, producing limited manufacturing waste.

Thermoforming uses a sheet of plastic that is fed into a machine that uses heat to form different shapes and depths. When designing a thermoforming process for production, several factors are considered, and engineers work to generate as many useable products from a single sheet as possible. However, thermoforming produces manufacturing waste when the borders of a sheet are not utilized as part of the product. This is known as "engineered waste," and nearly all this material is reclaimed and reused.



Over the past decade, Novolex has invested in and installed multiple internal recycling lines so that we can capture, reprocess and use engineered waste. This includes multiple "in-line" grinders that capture waste and feed it back into the sheet extruder automatically. "Off-line" reclaim grinders capture the remaining waste for reprocessing.



Through years of process engineering and investments in manufacturing, thermoforming operations focus on optimizing the use of raw material, capturing engineered waste so it can be reused. This reduces our reliance on virgin content.

Other waste streams

Managing hazardous waste is an important part of our commitment to environmental stewardship in our operations. Over the last three years, we have implemented programs, updated emergency procedures and provided environmental awareness training to Novolex staff to reduce waste and prevent spills. We prioritize waste management by increasing efficiency in our processes to reduce waste and recycle wherever possible. We also focus on minimizing the generation of hazardous waste. For example, we use water-based inks for our food packaging products, where possible. Novolex will continue to evaluate specific projects that minimize waste and reduce the potential for spills that could impact the environment.

**Novolex Pellet Retention Program**

Novolex participates in Operation Clean Sweep®, a voluntary plastics industry program designed to prevent pellet and flake loss into the environment.

Using Operation Clean Sweep principles as a foundation, Novolex has customized our operations procedures and training programs. Using a team composed of representatives from across our resin-based manufacturing facilities, we developed a single standard for excellence – the Novolex Pellet Retention Program – a consistent process to monitor, manage and eliminate pellet loss to the environment.

WATER USE

WATER use is an important sustainability issue for many companies. Based on prior water assessments and the nature of our products, we would expect to have low impacts from water use. Novolex is working to finalize the results of our material issues prioritization to better understand the importance of water to our company and stakeholders. We have grown through acquisitions in the last few years and are working on developing capabilities to track water use across our portfolio. At this time, we are unable to report on total water withdrawn and consumed at all our global manufacturing sites in 2019. In the future, we will seek to further understand our water use and identify priorities for our more water-intensive operations, such as our two recycling facilities and injection molding operations.

FUEL USE FOR FLEETS

NOVOLEX relies on trucks to transfer materials between Novolex facilities and ship goods to customers. We are making a concerted effort to reduce our Scope 3 emissions by streamlining shipments to reduce reliance on truck freight miles. Over the last two years, through evaluation of potential consolidation of distribution and customer shipments, we have reduced unnecessary freight miles and improved speed of service to customers. Our net CO₂ emissions from our internal transfer and customer shipments for 2019 are reported below and show a favorable trend. Some of the efforts driving these improvements include:

Intermodal transfers

For intercompany shipments, we use intermodal transfers, or combinations of truck and rail, to reduce the amount of truck freight miles needed to transfer materials between sites. By using rail for large material transfers, we can use trucks only for the final miles of a delivery.

Pooling

Instead of small, less-than-truckload (LTL) orders on multiple carriers, efforts to “pool,” or consolidate onto fewer trucks, helps achieve greater utilization of fleets. Our customer service, shipping and sales teams work together to support our customers and save freight miles, working to identify multiple small orders that will reach similar geographies.

Common point of origin

When we receive international shipments, we aim to identify more efficient delivery locations for customer shipments so we can streamline distribution to different sites or warehouses. By ensuring we place products in the most optimal point of origin, we are able to direct imported items so that products end up closer to the end customer.

FOOD AND PRODUCT SAFETY

THE NOVOLEX commitment to food and product safety starts at the highest levels of leadership and resonates throughout the organization, creating a culture of shared beliefs and practices. **Since our last report, six additional plants that supply the food processing and foodservice sectors received Safe Quality Food (SQF) certification, bringing our companywide total to 33 food safety-certified plants.**

These manufacturing centers produce food packaging and comply with the food safety guidelines established by the Global Food Safety Initiative (GFSI). Compliance with GFSI is achieved through certification to accredited standards such as the Safe Quality Food (SQF) Program and the British Retail Consortium Global Standards (BRCGS). GFSI-recognized standards are designed to meet industry, customer and regulatory requirements for all sectors of the food supply chain. Our facilities are monitored annually by accredited third-party auditors to verify compliance with all applicable standards.

Most food safety GFSI standards require periodic testing of a defined crisis management plan. As such, Novolex conducts mock crisis exercises annually to test our procedures around emergency management and contingency planning. This is one of many reasons we were well prepared to respond to the COVID-19 crisis.

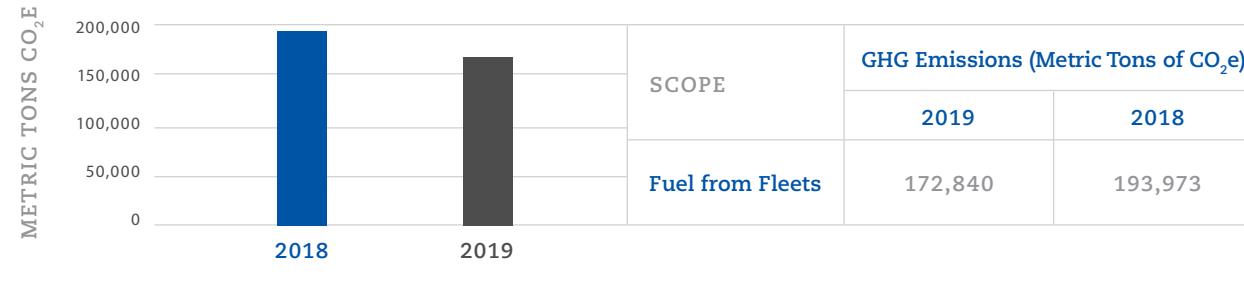
As a critical infrastructure industry, we relied on our existing, routine business practices to continue to mitigate food safety risks. We maintained production at many of our facilities in order to support the food supply and health care sectors of the economy. We embrace that obligation and recognize a commensurate responsibility to protect the safety and well-being of our employees. To reduce exposure to COVID-19 in our facilities, we introduced a variety of enhanced measures following guidance from public health organizations. Novolex has adopted a single, company-wide approach intended to maintain a high set of standards for minimizing exposure of people and products to the virus wherever our products are used.



TRACY BATES

Director, Corporate Quality

“The world changed significantly in 2020 due to COVID-19. Each of our day-to-day lives has been impacted in many and varied ways. One thing has not changed even amidst the crisis - Novolex’s unwavering commitment to food and product safety.”





INVESTING IN OUR

People AND Communities

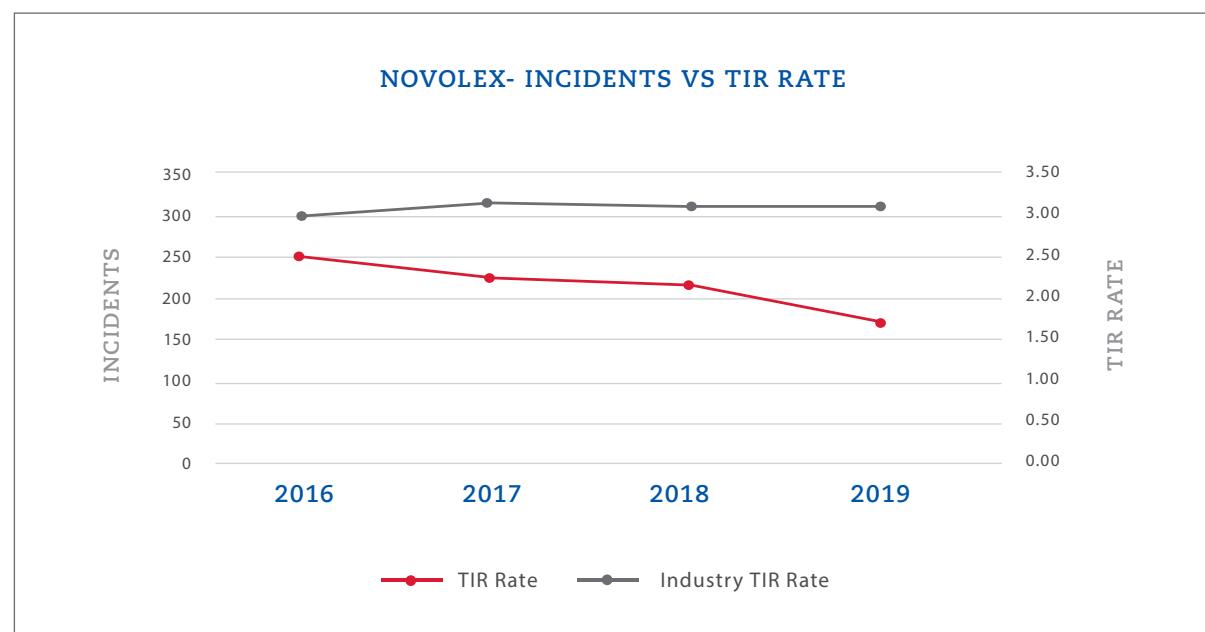


WE BELIEVE INVESTING IN OUR PEOPLE AND OUR COMMUNITIES PROVIDES BETTER RESULTS FOR NOVOLEX AND A POSITIVE IMPACT IN THE COMMUNITIES WHERE WE LIVE AND WORK. WE STRIVE TO PROVIDE OUR EMPLOYEES WITH A BEST-IN-CLASS SAFETY CULTURE, AS WELL AS OPPORTUNITIES TO DEVELOP NEW SKILLS AND ACCESS TO COMPETITIVE COMPENSATION AND OTHER BENEFITS. THESE BENEFITS INCLUDE ACCESS TO HEALTH AND WELFARE CARE FOR OUR NOVOLEX FAMILIES. AS MEMBERS OF THE COMMUNITIES IN WHICH WE OPERATE, WE SUPPORT AND ENCOURAGE EMPLOYEE ACTIVITIES THAT DIRECTLY CONTRIBUTE TO OUR COMMUNITIES AND OTHER CAUSES THAT ARE IMPORTANT TO NOVOLEX.

SAFETY

ACROSS THE BREADTH of Novolex facilities, keeping our employees safe is a top priority. Employees at both our manufacturing centers and offices deserve and expect a safe working environment. In order to deliver on this promise, we have implemented an industry-leading workplace safety policy and program that improves safety performance across the company. We report our safety performance to the Senior Leadership Team on a weekly basis, and to the Board of Directors monthly.

Our goal is to achieve zero injuries companywide. In 2019, we continued our positive safety trend by successfully bringing our companywide Total Injury Rate (TIR) rate to 1.7. This TIR figure accounts for progress made with acquired businesses that at the time of acquisition did not have strong safety track records. Even when accounting for these acquisitions, total recordable injury rates have declined by more than 60% since 2014.



Improved Total Injury Recordable Rates



BEN MASCARELLO

Chief Operating Officer, Novolex

"In order to build a best-in-class operations culture, the emphasis on safety has to be embraced at every level of the organization. That's what we have strived to do at Novolex. We are grateful to our Health and Safety team and the thousands of men and women in our Novolex family who work every day to ensure safety is at the heart of everything we do."

AWARDS AND RECOGNITION

Novolex was honored to receive the "Safety Company of the Year" designation from the Plastics Industry Association in 2019. This award recognizes a plastics industry company with outstanding safety performance in the prior year and a culture that revolves around a safe work environment. A core criterion for this award is a detailed account of a safety program that led to measurable improvements in a safe work environment after implementation.

The Association's Safety, Statistics and Awards program also recognized 15 Novolex facilities for their individual safety achievements based on Occupational Safety and Health Administration (OSHA) guidelines.



NEXGEN LEADERS AWARDS

The National Association for Environmental, Health, Safety and Sustainability Management (NAEM) presented NexGen Leaders Awards to two Novolex professionals in 2019: Ivan Marquez, Regional Environmental Health & Safety Manager, and Jennifer Pippin, Environmental Health & Safety Manager.

MR. MARQUEZ, who supports the Novolex Hilex business unit, led the implementation of a mobile safety inspection system across all Novolex manufacturing locations. The system eliminated clipboard inspections, and provides real-time data tracking and completion-submission verification.



MS. PIPPIN supports the Novolex Duro® Bag business unit and industrial hygiene for Novolex. At the time of the award in 2019, she was managing the Specialty Laminations business unit, which had achieved exceptional results with each location 390-940 days injury free.



Each year, Columbia Southern University selects an "Outstanding Safety Professional of the Year" from a pool of more than 300 nominations. CSU created the award to recognize National Safety Month, observed annually in June. CHERYL RATCLIFF, a Regional Environmental Health & Safety Manager, was selected as the "runner up" for this award in 2019.

ETHICS AND INTEGRITY

NOVOLEX understands that our reputation rests on the conduct of every member of the Novolex family. We hold our employees and business partners to the highest ethical standards and weave this expectation through the fabric of our culture and everyday communications. The Novolex Employee Code of Conduct sets out seven guiding principles of ethical conduct and compliance for our business interactions. Every employee must adhere to this code at all times and employees are required to review the code on an annual basis.



Seven Guiding Principles of Ethical Conduct

1

Obey the law

2

Avoid conflicts of interest

3

Keep accurate and honest records

4

Honor business obligations

5

Treat people with dignity and respect

6

Be a responsible global citizen

7

Protect company information, assets and interests

Supplier Expectations

Responsible business practices and ethical conduct are fundamental to every aspect of our operations. As vital business partners, we expect our suppliers to abide by the same principles for responsible business conduct, while at the same time providing us with the highest quality products and services.

The Novolex [Supplier Code of Conduct](#) provides our suppliers with expectations for their behavior on a broad scope of activities. The Code addresses the need for suppliers to adhere to all laws and regulations and adopt policies and practices that respect human rights, strive to reduce the impact of their operations on the environment, promote the health and safety of their employees, promote data security and prevent bribery and corruption, among other provisions.

Human Rights

As an organization, we are committed to being part of the solution to address inequality in our supply chain. If we suspect human rights abuses, or have reason to believe suppliers are not adhering to the requirements of our Supplier Code of Conduct, we reserve the right to investigate, including conducting third-party audits and requesting corrective actions until we are confident all concerns related to human rights have been appropriately addressed. Failure to satisfy Novolex can result in termination of a supplier's contract. To drive progress in this area, in 2019, we initiated a self-assessment process for our largest 150 suppliers. This detailed annual verification process is an important step in ensuring suppliers comply with all Novolex expectations.

Ethics & Compliance Helpline

As a further part of our commitment to responsible and ethical business conduct in our supply chain, we provide suppliers and their employees access to the Novolex Ethics & Compliance Helpline, an independent ethics and compliance resource that can be used to report potential violations of the Supplier Code of Conduct without fear of retribution. The Helpline utilizes an automated system that facilitates an efficient assessment and investigation process. Reports made through the Helpline can remain anonymous and confidential.

If you suspect or have reason to believe human rights abuses are occurring, or have other concerns, please contact the Novolex Ethics & Compliance Helpline. To make a report through the Helpline and speak to a specialist 24/7/365 in multiple languages, call the toll-free number 1-888-852-6208, or visit www.ethicspoint.com to make a report online.

TALENT DEVELOPMENT

NOVOLEX provides a wide range of on-the-job training, development and career-entry support programs to continually strengthen and develop employees and provide enhanced career opportunities for our Novolex family. Many of our programs have been successful in encouraging employee retention and providing employees new opportunities with the organization.

Introducing Novolex University

In 2019, to further support our efforts, Novolex University was launched across our portfolio of brands. We design Novolex University programs to enhance employee skills and job-specific knowledge, as well as interpersonal communication, leadership and other important competencies. Programs are conducted online and in-person depending on the curriculum and duration.



DEANA PACCADOLMI NILSEN

Director, Human Resource Programs

“With Novolex University, many more employees will have the opportunity to participate in our comprehensive employee and leadership development curriculum. It's an exciting step for Human Resources and team leaders across the company to be able to provide resources that prepare our employees for the future.”



Green411

As part of our commitment to sustainability, in 2019 Novolex launched *Green 411: Environmental Stewardship through Knowledge and Positive Action*. This series, which is available to all employees via their mobile device, is dedicated to teaching employees about sustainability. Every member of the Novolex family has an opportunity to support recycling and other practices that benefit the environment as well as serve as an example to others in their communities. At the same time, *Green 411* raises awareness among employees about the company's initiatives to reduce our environmental footprint and their individual contributions to help meet our goals.



As part of the Novolex Running Crew, employees in dispersed Novolex hometowns come together to support and challenge each other to live a healthier lifestyle.

Engaging Employees in Living Healthy

Novolex adds new meaning to the concept of long-distance running. Novolex employees based in more than 60 plants, warehouses and administrative offices post information on their daily runs – and compete in virtual races – using a mobile app. Also in 2019, Novolex inaugurated the Novolex Running Crew in which groups of experienced runners, joggers, walkers along with first-time race participants come together to train, encourage one another and have a great time on race day.



COMMUNITY ENGAGEMENT

AT NOVOLEX

giving back to the local communities that support us is important at all our locations. We prioritize our philanthropic efforts at each location based on feedback from employees and, through these efforts, have donated to many different non-profit organizations, including the Special Olympics, Boy Scouts of America, local hospitals, cancer research institutes, food banks and more. In some instances, we donate Novolex products, such as utensils, plates and cups, to local nonprofits to distribute to those in need.



A Novolex Duro bag used to collect donated food.

rethink
BENEFITS

RETHINK:

Novolex offers support to employee families caring for children with special needs by providing free access to resources through the Rethink program. Employees have access to 24/7 live support from a behavioral expert, as well as a library of how-to videos, tips and best practices.

Move for Hunger

[Move for Hunger](#) is a national nonprofit organization that has created a sustainable way to reduce food waste and fight hunger. The organization mobilizes leaders of the moving, relocation and multifamily housing industries to provide their customers, clients and residents with the opportunity to donate their food when they move. Members of Move for Hunger also organize community food drives, participate in awareness campaigns and create employee engagement programs.

The Novolex Duro Bag division provides support to the organization by providing bags used for food collection. In 10 years, Move for Hunger has delivered more than 17 million pounds of food to food banks across the U.S. and Canada, providing more than 14 million meals to individuals in need.

Second Chances

Novolex believes in second chances. In one of our ongoing programs, Novolex is partnering with the Women's Division of the Department of Corrections in Indiana to support its work-release program. For the last 18 months of their sentences, nonviolent offenders are offered full-time positions at our bag manufacturing and recycling center in Indiana. At the conclusion of their sentences, those women who have met our criteria have the opportunity to continue their employment with Novolex. Many of those who participate in the work-release program choose to move into the area to become members of the community.



Alex's Lemonade Stand

Alex's Lemonade Stand Foundation was established in 2005 to continue the mission of four-year-old Alex, who, while fighting her own battle against cancer, set up a lemonade stand to help raise money for "her doctors to find a cure" for all childhood cancers. In addition to funding innovative research, Alex's Lemonade Stand Foundation provides emotional, financial and logistical support to childhood cancer families across the nation. In 2019, the Novolex sales team raised \$25,000 to support childhood cancer research.



As proud sponsors of Jennings County High School, the Hilex Recycling Center in North Vernon, Ind. educates students and the community about plastic bag recycling through Hilex's Bag-2-Bag recycling program. Additionally, the sponsorship aims to promote job opportunities for students and graduates.



GRI STANDARDS AND SASB CONTENT INDEX

This content index will assist readers in locating Novolex disclosures relevant to the GRI Standards framework from 2016, unless otherwise noted. This index also incorporates applicable principles and content elements of the Sustainability Accounting Standards Board (SASB) disclosures associated with the Containers & Packaging Industry Standards.

General Disclosures		Report Location
<i>Organizational Profile</i>		
102-1	Name of the organization	About Novolex
102-2	Activities, brands, products, services	About Novolex
102-3	Location of headquarters	Hartsville, South Carolina
102-4	Location of operations	About Novolex
102-6	Markets served	Markets Served and Our Products
102-7	Scale of the organization	About Novolex
102-8	Information on employees and other workers	Our Employees
102-9	Supply chain	Raw Material Sourcing
102-10	Significant changes to the organization and its supply chain	Continuing Our Growth
102-12	External initiatives	About our Report; About Novolex
102-13	Membership of associations	Partnerships and Policy
<i>Strategy</i>		
102-14	Statement from senior decision-maker	CEO Message
<i>Ethics and Integrity</i>		
102-16	Values, principles, standards and norms of behavior	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics & Compliance Helpline
<i>Governance</i>		
102-18	Governance structure	Governance
102-19	Delegating authority	Governance
102-21	Consulting stakeholders on economic, environmental and social topics	Governance
102-22	Composition of the highest governance body and its committees	Governance
102-23	Chair of the highest governance body	Chairman and CEO, Stan Bikulege
102-26	Role of highest governance body in setting purpose, values and strategy	Governance
102-29	Identifying and managing economic, environmental and social impacts	About our Report
102-31	Review of economic, environmental and social topics	Governance
102-32	Highest governance body's role in sustainability reporting	Governance
<i>Stakeholder Engagement</i>		
102-40	List of stakeholder groups	Partnerships and Policy
102-50	Reporting period	January-December 2019
102-51	Date of most recent report	About our Report
102-52	Reporting cycle	About our Report
102-53	Contact point for questions regarding the report	About our Report
102-55	GRI content index	GRI Standards Content Index
103-1,2,3	Management Approach: Ethics and integrity	Ethics and Integrity
103-1,2,3	Management Approach: Supply chain	Supplier Expectations, Human Rights
103-1,2,3	Management Approach: Environment	Operations
103-1,2,3	Management Approach: Talent management	Talent Development
103-1,2,3	Management Approach: Community Engagement	Community Engagement

General Disclosures		Report Location															
Economic																	
Anti-Corruption																	
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Integrity															
Environmental																	
Materials																	
301-1	Materials used by weight or volume	Raw Material Sourcing															
301-2	Recycled input materials used	Raw Material Sourcing															
301-3	Reclaimed products and their packaging materials	Raw Material Sourcing															
RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	Raw Material Sourcing															
RT-CP-410a.1.	Percentage of raw materials from: (1) recycled content, (2) renewable resources and (3) renewable and recycled content	Raw Material Sourcing															
RT-CP-410a.3.	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Product Lifecycle															
Energy																	
302-1	Energy consumption within the organization	Emissions and Energy															
RT-CP-130a.1.	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	<table> <thead> <tr> <th></th><th>2019</th><th>2018</th></tr> </thead> <tbody> <tr> <td>Total Energy Consumption</td><td>3,217,840 GJ</td><td>3,178,186 GJ</td></tr> <tr> <td>Percentage Grid Electricity</td><td>81%</td><td>82%</td></tr> <tr> <td>Percentage Renewable</td><td>0 %</td><td>0%</td></tr> <tr> <td>Total Self-Generated Energy</td><td>0 GJ</td><td>0 GJ</td></tr> </tbody> </table>		2019	2018	Total Energy Consumption	3,217,840 GJ	3,178,186 GJ	Percentage Grid Electricity	81%	82%	Percentage Renewable	0 %	0%	Total Self-Generated Energy	0 GJ	0 GJ
	2019	2018															
Total Energy Consumption	3,217,840 GJ	3,178,186 GJ															
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Percentage Renewable	0 %	0%															
Total Self-Generated Energy	0 GJ	0 GJ															
Emissions																	
305-1	Direct (Scope 1) GHG emissions	Emissions and Energy															
RT-CP-110a.1.	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Emissions and Energy															
RT-CP-110a.2.	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Emissions and Energy															
305-2	Energy indirect (Scope 2) GHG emissions	Emissions and Energy															
305-3	Other indirect (Scope 3) GHG emissions	Emissions and Energy* * Represents transportation															
305-5	Reduction of GHG emissions	Emissions and Energy															
Social																	
Occupational Health and Safety																	
403-6	Promotion of worker health	Safety															
403-9	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Safety Novolex discloses TIR.															
Training and Education																	
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development															
Diversity and Equal Opportunity																	
405-1	Diversity of governance bodies and employees	There are eight members of the Board of Directors as of 2020. In 2019, there was one female Director, and as of July 2020, there are two female Directors.															
Product Safety																	
RT-CP-250a.1.	Number of recalls issued, total units recalled	None															
RT-CP-250a.2.	Discussion of process to identify and manage emerging materials and chemicals of concern	Products															





Novolex® develops and manufactures diverse packaging and foodservice products that touch nearly every aspect of daily life for multiple industries ranging from grocery, food packaging, restaurant and retail to medical applications and building supplies. The Novolex family of brands provides customers with innovative paper and plastic solutions for their business needs today while investing in research and development to engineer more sustainable choices for the future.

