

Real Choice for the Real World



2025 Sustainability Report

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Message From Stan

At Novolex, we believe packaging must perform in the real world — not just in ideal conditions, but across the full complexity of how products are made, used, and recovered. That belief drives how we innovate, how we operate and how we help our customers meet evolving expectations. It's what we mean when we say we are material conscious by design.

Every day, Novolex packaging plays a role in millions of lives. From the beverage carton on a breakfast table to the cup at a drive thru or the bag carrying a takeout meal, our products help deliver food and beverages safely, efficiently, and reliably. With that scale comes responsibility – and opportunity. We are focused on creating packaging solutions that perform where it matters most while advancing sustainability in ways that are practical, measurable, and continuous.

At the center of that work is innovation. By bringing together material science expertise, customer collaboration and operational excellence, we continue developing solutions that balance performance, sustainability and value. Whether improving recyclability, increasing recycled content, advancing compostable technologies, or helping customers navigate a changing regulatory landscape, our focus remains on delivering solutions that work in the real world.

None of this is possible without the Novolex family. Our people are the driving force behind everything we do, and we remain committed to fostering a culture where employees are valued, supported and empowered to grow. This year, we launched OPX360, our company-wide Operational Excellence system, to bring greater consistency, safety, and performance to every facility we operate. It reflects a simple belief: when we invest in our people and our processes, we can create stronger outcomes for everyone connected to our work, from suppliers and partners to customers and communities.

That discipline is helping drive meaningful environmental progress. Since 2022, we have reduced greenhouse gas emissions by approximately 1 million metric tons of CO₂e, and we have achieved a 25% reduction in emissions intensity against our target of 30% by 2030, putting us ahead of pace. We are also advancing circularity across our portfolio. In 2025, we used more than 1 billion pounds of recycled content in our fiber and resin products, supported in part by recycling facilities we operate ourselves. Additionally, 64% of our applicable product revenue now comes from products designed to be recyclable, compostable, or reusable.

Our commitment extends beyond our products and operations. Programs such as the Novolex Chairman's Scholarship, which this year supported six children of Novolex employees pursuing higher education, reflect our belief in investing in our people, their families and future generations.

Today, more than 22,000 Novolex employees across North America and Europe are helping shape the future of packaging. As our customers' needs evolve, we will continue to evolve with them, combining innovation, operational excellence and sustainability to deliver solutions that perform, adapt and endure. Together, we are packaging for a better future through choice, innovation, and sustainability.

Stan Bikulege, Chairman and CEO

Our opportunity
to design packaging that performs
in the real world while advancing
sustainability in ways that are
practical, measurable,
and continuous.



About Novolex

Novolex is a leading manufacturer of food, beverage, and specialty packaging that supports multiple industries, including foodservice, restaurant delivery and carryout, food processing, grocery and retail, and industrial sectors. Our innovative product portfolio is designed to meet the diverse needs of businesses worldwide and the millions of customers they serve. Through continuous investment in research and development, we are committed to engineering more sustainable choices for the future.

Across four specialized business units, we bring deep expertise, manufacturing scale, and a shared commitment to safety, innovation, and sustainability.

100+

Locations

120

Product Categories

20k+

Employees

39k

SKUs



Food, Grocery & Retail

This business unit delivers high-quality packaging solutions tailored to the diverse needs of our food processors, grocery, and retail customers. They drive innovation through new product development, and continuously improving product quality. With a strategic emphasis on service excellence and operational efficiency, the team supports customer success with reliable, efficient, and environmentally conscious packaging options.



Quick Service Restaurants

This business unit is dedicated to delivering exceptional value across every aspect of the business. They focus on premium and high-quality product development, outstanding customer support from dedicated customer service teams, and streamlined supply chain efficiency and delivery reliability.



Distribution

This business unit ensures the seamless delivery of our products to the market. Distribution focuses on maintaining a diverse range of high-quality products, building strong supplier relationships, and providing robust sales support. By partnering with our seven Regional Distribution Centers, they cater to localized demands, ensuring supply chain efficiency, manufacturing resilience, and responsiveness.



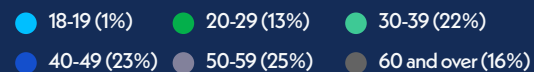
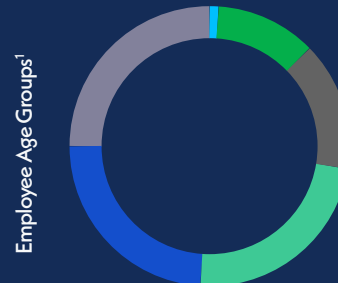
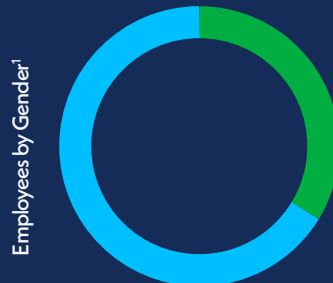
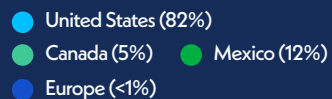
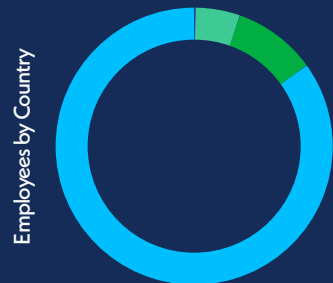
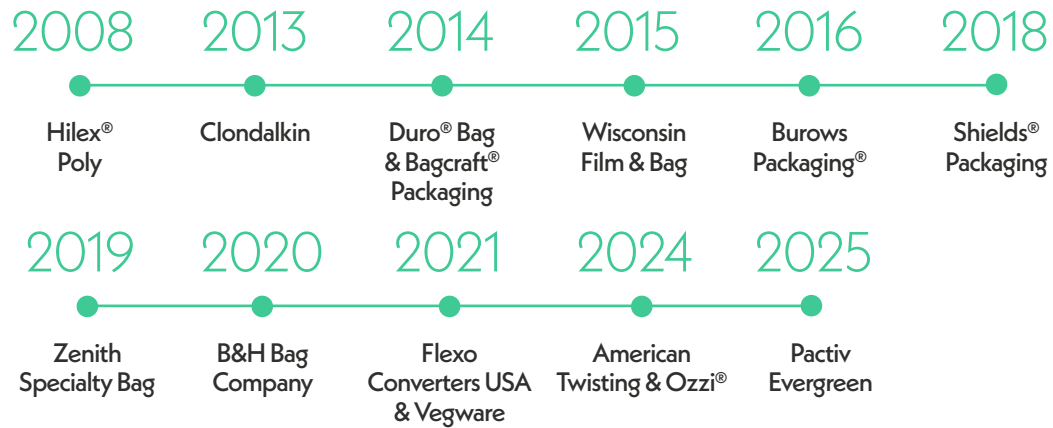
International, Industrial & Beverage

This business unit is dedicated to delivering custom packaging solutions with expert support. Leveraging their expertise in both standard and specialized films, they cater to expansive applications, from food and beverage packaging to industrial materials. With a robust international presence, the team focuses on rigid plastics and compostables, ensuring sustainability and innovation. They also support beverage end-markets by integrating systems that enhance efficiency and product quality.

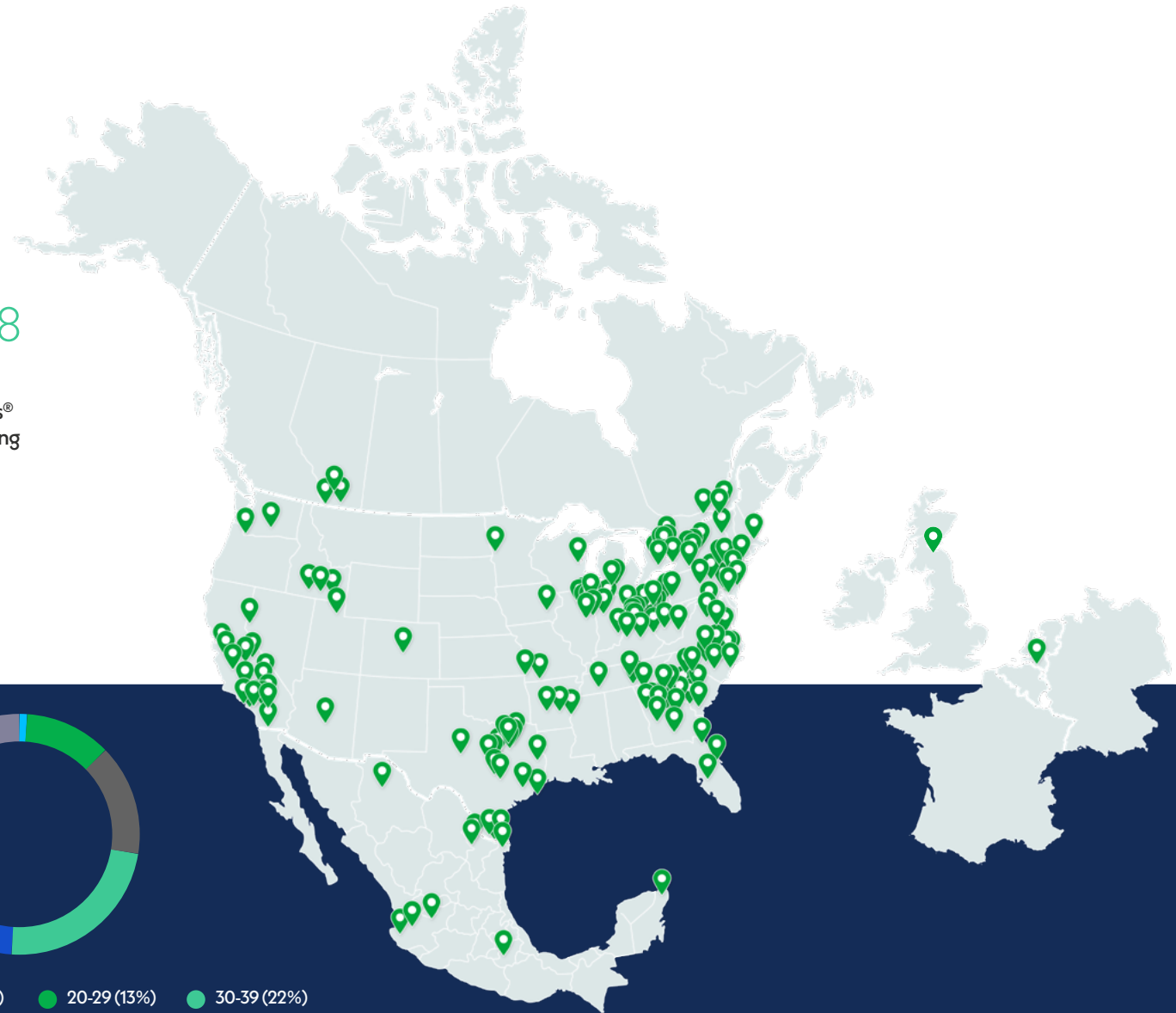
Across these industries, our material conscious design approach helps our customers meet sustainability goals, stay ahead of evolving regulations, and access packaging solutions that perform at scale for their unique needs and regions. Partnerships across the supply chain, academic and research organizations, our customers and industry organizations help us continue to innovate and bring the best packaging solutions to life.

Scale That Serves

Since our founding in 2008, Novolex has grown through organic expansion and strategic acquisitions to become a leading provider of innovative food, beverage, and specialty packaging solutions for businesses and consumers worldwide.



*Data includes salaried and temporary employees of all U.S. locations (representing 82% of the workforce in 2025).



Purpose, Mission, & Values

Our Purpose, Mission, and Values guide our actions, shape our culture, and unite our 20,000+ employees, serving as the foundation and roadmap for our collective success in offering real choices in packaging solutions that serve the real world.



Our Mission is to deliver innovative food, beverage, industrial, and specialty packaging solutions, designed to exceed the needs of consumers and the businesses that serve them.



**champion
safety**



**celebrate
people**



**do what's
right**



**win
together**



**make tomorrow
better**

Innovating with Customers

The Novolex Innovation & Sustainability Center of Excellence is a new cross-functional engine of customer co-creation and sustainable design. The team brings customers and Novolex experts together with the purpose to co-create packaging solutions built for the future. In hands-on working sessions, product developers, material scientists, R&D engineers and sustainability experts partner directly with customers to align on materials, test performance, and weigh trade-offs across sustainability, cost and scalability.

The team advances material innovation by piloting new materials, applying life-cycle data to inform decisions, and ensuring solutions are viable at commercial scale. It also translates market signals from emerging regulations, policy shifts, and industry developments, into practical design guidance that helps customers stay ahead of change.

The result: real-world solutions that are practical, scalable, and backed by credible data.





Sustainability at Novolex

Real Choice for the Real World

Materiality and UN SDGs Alignment

Stakeholder Engagement

Real Choice for the Real World

Material conscious by design. That's how Novolex helps customers meet sustainability goals and stay ahead of evolving regulations, while delivering packaging solutions that perform at scale.

Regulations vary by region. Material needs change with purpose. Business requirements move fast. That's why flexibility, scale, choice and transparency define how Novolex partners across the value chain — guiding and innovating with customers to select or design the product that's right for their needs, without tradeoffs in performance.

Backed by more than 39,000 SKUs and the substrate and manufacturing breadth to match, our experts help customers adapt quickly and navigate complexity while balancing function, compliance, environmental impact and the need to communicate progress. We back sustainability claims with evidence and ground them in data and real-world insight, so customers can communicate with confidence knowing what they say is credible and defensible.

We recognize that sustainability has to work in the real world: across applications and regulations, both in use and at the end-of-life. As our customers' goals evolve, we evolve with them, working to deliver solutions that scale and adapt.

It's not just packaging. It's real choice for the real world.



Proof and Credibility

We translate product and operational sustainability into clear, data-backed information stakeholders can understand, communicate and trust.



Regulatory Readiness

We design packaging that meets evolving global regulations and adapts to market needs.



Real World Performance

We deliver sustainable packaging that performs at scale - solutions customers can trust.



Partnership that Serves

We collaborate across the value chain to create practical, scalable packaging solutions built around each customers' unique sustainability needs.

In 2025 at Novolex

>1 billion lbs

recycled content used across
our fiber and plastic products

1MM

MTCO₂e reduction in GHG
emissions since 2022

82%

waste diverted
from landfill

64%

applicable product revenue
from recyclable, compostable,
or reusable products

100%

virgin fiber meets
international
sourcing standards

60,000

MWh renewable energy use

>99%

suppliers signed
code of conduct

375,000

hours of
training logged

152,000

pounds of food
donated during our
Month of Action

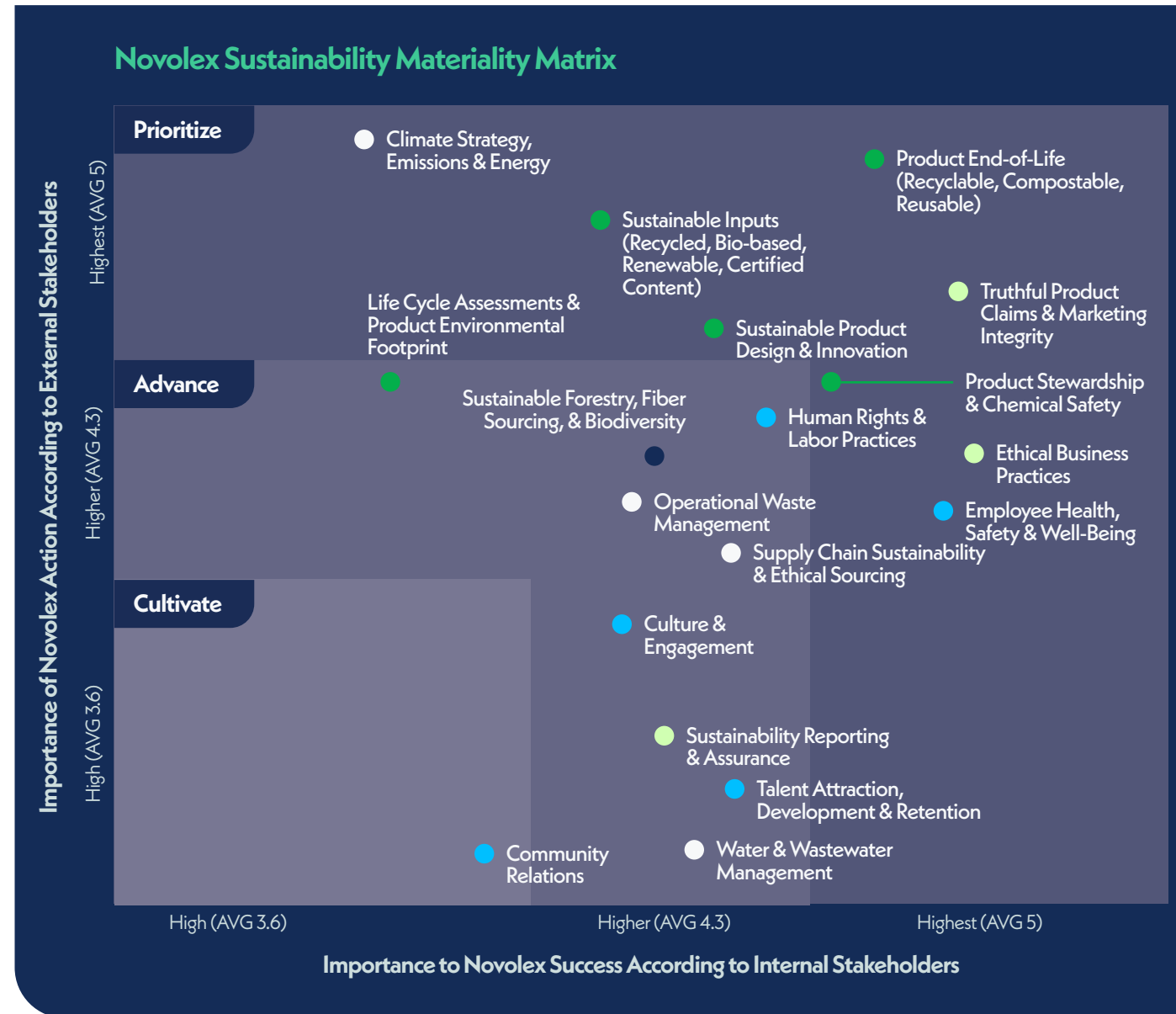
Materiality

To shape our sustainability strategy and set meaningful goals, Novolex conducted a comprehensive materiality assessment. The process allowed us to engage directly with stakeholders to identify the sustainability issues that matter most to them and that most affect our company's long-term success.

Guided by the GRI framework, we began by evaluating nearly 60 sustainability themes and sub-themes sourced from across our business as well as from customers, suppliers, investors, NGOs, and sustainability rating organizations. From this broader pool, we narrowed our focus to 18 core topics for the assessment (definitions appear on pages 10 - 12).

Stakeholder input was central to the process. Internally, employees at all levels, senior leadership, and members of our Board of Directors completed a confidential survey rating how critical each topic is to Novolex's future. Externally, we engaged key customers, strategic suppliers, and sustainability rating organizations. Most external participants shared their views through a confidential survey on how Novolex should prioritize action on each issue; the perspectives of rating organizations were drawn from their published assessments of Novolex.

Responses were captured on a five-point scale, from 1 (no importance) to 5 (critical importance), with all stakeholder groups weighted evenly. The results were mapped onto the Novolex Sustainability Materiality Matrix, which now guides our sustainability initiatives and decision-making. The contents of this report reflect and align with the conclusions of the assessment, and we revisit these topics periodically as the sustainability landscape and our business evolve.



Material Topics & SDG Alignment

Novolex's material topics define where we focus our sustainability efforts for the greatest real-world impact. They guide decision-making, accountability, and reporting, and align with relevant UN Sustainable Development Goals to ensure our priorities support both business value and broader societal outcomes.

UN Sustainable Development Goals

Novolex's sustainability strategy is grounded in a simple principle: true sustainability must perform in the real world. We focus our alignment on five UN SDGs where impact is measurable, evidence based, and embedded in how we design, manufacture, and market our products².



² Novolex prioritizes SDG alignment where we have direct operational or product influence. Other SDGs may be indirectly supported through our value chain, but are not explicitly claimed to ensure focus, accuracy, and transparency.

Scope

Products That Perform in Use and at End of Life

How Novolex designs, materials, data, and claims come together to deliver packaging that performs as intended, during use and at end of life, across markets and regulatory environments of effective infrastructure to support reuse or recovery.



Topic

Product End of Life

How we design products for recovery at end of life, whether through recycling, composting, or reuse, including testing and certification to recognized standards, and the support of effective infrastructure to support reuse or recovery.

Sustainable Inputs

The recycled, bio-based, renewable, and certified raw materials in our products, and our ongoing efforts to expand and innovate in sustainable material solutions.

Truthful Product Claims & Marketing Integrity

Our policies and processes to ensure the product claims we make are accurate, substantiated, and compliant with applicable marketing and labeling law.

Sustainable Product Design & Innovation

How we consider design-for-circularity principles as we develop innovative materials, products, and next-generation formats that meet the sustainability requirements of our customers and markets.

Product Stewardship & Chemical Safety

Ensuring our products meet applicable standards and customer expectations of compliance, health and safety.

Life Cycle Assessments & Product Environmental Footprint

The approach to measuring the environmental impact of our products (from raw material extraction through manufacturing, use, and end of life) to inform design decisions, support customer requests, and substantiate product-level environmental claims.

Scope

Responsible Operations and Supply Chain

How Novolex manages resources, emissions, waste, and sourcing responsibly across our operations and supply network to support long-term resilience and efficiency.



Topic

Climate Strategy, Emissions & Energy

Sustainable Forestry, Fiber Sourcing, & Biodiversity

Operational Waste Management

Water & Wastewater Management

Supply Chain Sustainability & Ethical Sourcing

Relevance

Our identification, control and monitoring of our emissions and energy use, including our use of renewable energy, our consideration of greenhouse gas emissions reduction targets as well as risks and opportunities associated with climate change.

Our policies and processes for ensuring fiber-based and renewable raw materials are sourced from responsibly managed forests including certifications, deforestation prevention and monitoring of biodiversity impacts across our supply chain.

The responsible management of the waste created in our operations and supply chain.

The responsible management of the amount of water we consume to manufacture our products and the quality of our water discharges.

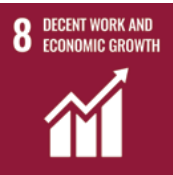
Our procurement goals, practices, evaluation, and requirements of suppliers' environmental and social impacts.



Scope

**People, Governance,
& Trust**

How Novolex supports its people, upholds ethical conduct, engages communities, and communicates transparently to build trust and accountability.



Topic

Relevance

Culture & Engagement

The meaningful actions we take to recognize and value the contribution of our employees including hiring practices, education and training in a supportive work environment and the actions to improve employee satisfaction.

**Human Rights
& Labor Practices**

Our policies and processes for ensuring fair, ethical treatment of our workers, including freedom of association, collective bargaining, fair compensation, non-discrimination, and the prohibition of child labor and forced labor.

**Employee Health, Safety
& Well-Being**

Our goal to provide a zero-harm workplace for all individuals focuses on a commitment to injury and illness prevention and hazard elimination, as well as a people-centric, values-driven culture designed to support employees' well-being.

**Talent Attraction,
Development & Retention**

Our ability to attract, develop and retain top talent through regular training and career management to support our employees' professional growth.

Community Relations

Our participation in and support of the communities in which we work and live through outreach, consultation, volunteering and donations.

**Sustainability Reporting
& Assurance**

The disclosure and reporting of our sustainability information and performance in a clear, accountable and transparent manner.

Ethical Business Practices

Our commitment to running our business in an ethical and socially responsible way, preventing anticompetitive behavior and corruption and transparently engaging in public policy.



Stakeholder Engagement

Following the approach recommended by GRI, we engage with a broad range of stakeholders who help shape our sustainability strategy and initiatives: those who are affected by our activities, and those whose actions and expectations shape how we do business. The table below outlines who those stakeholders are, what sustainability topics matter most to them, and how we can partner effectively to keep the conversation going and advance together.

Stakeholder Group	Sustainability Topics of Interest	How We Engage
Employees	• Fair wages and competitive benefits • Safe and healthy work environment • Career development and growth opportunities • Culture and employee engagement • Strong company values	• Employee engagement surveys • Town halls and team meetings • Established performance review process • Wellness programs • Reward & recognition programs • Learning & development platforms that support employee growth and skill-building
Customers	• Consistent product quality and safety • Sustainable packaging innovation • Support in achieving their own sustainability goals • Responsible sourcing and supply chain transparency	• Direct and indirect engagement • Sustainability audits and surveys • EcoVadis and Sedex assessments • Materiality assessment • Joint innovation on sustainable product solutions



Stakeholder Group

Sustainability Topics of Interest

How We Engage

Consumers

- Accurate end-of-life and disposal information
- Product environmental impact transparency
- Truth in advertising and labeling

- On-package information and certifications
- Consumer surveys
- Brand-level communications

Private equity owners & lenders

- Risk identification and mitigation
- Long-term value creation
- GHG reduction progress and climate risk
- Transparent sustainability reporting (GRI-aligned)

- Regular engagement with leadership team
- Annual sustainability report
- Sustainability performance briefings
- Board-level Sustainability & EHS Committee updates

Suppliers

- Support in meeting Novolex sustainability standards
- Responsible material management and sourcing
- Risk mitigation and business continuity
- Fair labor and human rights practices

- EcoVadis and Sedex assessments
- Materiality assessment
- Formal and informal engagement
- Novolex supplier code of conduct and company policies



Stakeholder Group

Industry partners, trade associations & NGOs

Sustainability Topics of Interest

- Thought leadership in recycling, composting and circular economy
- Sustainable forestry and responsible fiber sourcing
- Compostable packaging acceptance and contamination prevention
- MRF sortation, recyclability and end-market development
- Industry-wide policy development

How We Engage

- Formal collaborations and partnerships with composters and MRFs
- Certifications and testing
- Sustainable packaging innovation and standards working groups
- Cross-industry coalitions and events
- Policy advocacy and public comment
- Conferences and panels

Communities

- Local economic opportunity and job creation
- Community investment and charitable giving
- Environmental stewardship near operations

- Partnerships with local organizations and employee-led initiatives
- Community events, volunteer programs, and a company-wide Month of Action
- Grant programs, product donations, and charitable giving campaigns
- Annual tree donations through the Arbor Day Foundation

Policymakers & regulators

- Thought leadership on packaging policy and circularity
- Regulatory compliance (labeling, PFAS, composting standards)
- Policy development

- Direct engagement where policy affects our employees, operations, or environment
- Company policies and standards
- Participation in public comment and rulemaking processes
- Industry association advocacy





Products that Perform in Use & End of Life

In Conversation with Dr. Adrienne Tipton, CISO

Fiber Sourcing

Renewable & Bio-Based Content

Recycled Content

Advancing Reuse Systems

Designing for End-of-Life



In Conversation with Dr. Adrienne Tipton

Chief Innovation & Sustainability Officer

Material conscious by design defines how we approach finding the best solution for our customers, starting with function, end-of-life, and real-world conditions, rather than prioritizing any single material. It reflects both the flexibility and the intentionality required to deliver packaging solutions that perform in use and at end of life, across diverse markets and applications.

What does “material conscious by design” mean at Novolex?

It starts with how we think about the problem. We don’t begin with a material - we begin with how the package needs to perform, where it will be used, and what end-of-life pathways are actually available. It’s all about performance in the real world. With a portfolio of more than 39,000 SKUs across rigid products, flexible films, and fiber-based formats, we have the range to match materials and technologies to specific applications, markets, and infrastructure. That’s what being material agnostic enables. But being material conscious is what ensures that flexibility is applied with intent. Every material and design decision is evaluated through the same lens: performance in use, compatibility with recovery systems, and alignment with evolving regulation and infrastructure.



Why does being material agnostic require a conscious design approach?

Because no single material solves every challenge. Different substrates and manufacturing platforms exist for a reason - they each perform differently. We leverage a broad set of technologies, from thermoforming and injection molding in rigid plastics to advanced film extrusion and fiber-based manufacturing, and apply each where it performs best. The key is making deliberate, fit-for-purpose decisions. That means balancing performance, environmental impact, and real-world feasibility instead of defaulting to any one solution.

Why is that approach important now?

Because our customers are operating in a much more complex environment and regulatory readiness is on everyone’s minds. Regulations vary by region, infrastructure varies by region, and product needs vary by use case. A solution that works in one market may not work in another. Our job is to help customers navigate that complexity with practical choices that perform in use and are credible at end of life.

How does that philosophy translate into real innovation?

It drives how we approach circular options. Sometimes that means redesigning a system - like eliminating a non-recyclable component altogether. In other cases, it’s about improving material efficiency or integrating recycled and renewable inputs in ways that still meet demanding performance requirements.

Across all of those examples, the common thread is practicality. Innovation only matters if it works - on the line, in distribution, in consumers’ hands, and in the recovery systems that exist today.

What makes a solution credible?

Discipline and proof. We use product carbon footprint data, testing, certifications, and claims governance to make sure every design decision is substantiated. Sustainability is full of trade-offs, and you don’t solve that by simplifying the story - you solve it by understanding the full lifecycle and being transparent about the outcome. Our goal is not to claim more. It’s to design better, validate with data, and deliver solutions that scale in the real world, all with proof and credibility.

Material Conscious by Design: Turning Flexibility into Real-World Solutions

Sustainability is not one-size-fits-all. We design fit-for-purpose solutions that perform in the real world: across products, users, and recovery systems.

Material Selection & Design

How we apply material agnosticism with intent: selecting substrates, certifications, and labeling strategies that meet performance needs and regulatory requirements.



Certified Materials



Renewable Materials



Recycled Content



Certified Products

Use & End-of-Life Performance

How we design so packaging performs in the real world — through how it is used, handled, and recovered across different infrastructure systems and markets.



Dishwasher Safe



Reusable



Compostable



Recyclable

Applied Innovation Center

The Novolex Applied Innovation Center in Roanoke, Texas serves as a central hub for accelerating product development, customer collaboration, and commercial growth. Strategically located near Dallas - Fort Worth and connected to a Heritage Bag manufacturing facility, the center brings together office, lab, and training spaces to support hands-on innovation, learning, and engagement. Designed to represent all four business units, the center enables cross-functional collaboration across materials science, product design, sustainability, and market insights. It provides dedicated areas for prototyping, material testing, and development of film and paper bag solutions, complementing existing rigid packaging R&D capabilities. Through training rooms, showcase areas, and interactive spaces, the Center is a front-end collaboration space where teams partner directly with customers to initiate innovation programs, validate concepts, and deliver solutions aligned with performance, sustainability, and regulatory needs.



Fiber Sourcing

100% 15% 100%

Fiber sourced meets a fiber sourcing standard

Fiber from chain-of-custody certified sources

Applicable sites with chain-of-custody certification

We are committed to sourcing fiber responsibly and supporting sustainable forest management practices across our supply chain. Fiber is a critical raw material in many of our products, and we recognize our role in ensuring that it is sourced in a way that protects ecosystems, supports biodiversity, and respects the rights of communities and workers.

Responsible Forestry

Our fiber sourcing approach focuses on procuring raw materials from suppliers that adhere to recognized environmental and social standards. We implement due diligence processes to assess sourcing risks and promote responsible forestry practices, including the protection of high conservation value forests, prevention of illegal logging, and respect for indigenous and local community rights.

We maintain internal programs and policies aligned with sustainable forestry principles that guide supplier expectations, traceability, and procurement decisions. These programs are designed to promote continuous improvement and transparency within our supply chain.

FSC®: SA-COC-013255

PEFC: NSF-PEFC-COC-0195754

SFI® COC: NSF-SFI-COC-0195754

PEFC: NSF-SFI-CS-0195754

*SFI marks are registered marks owned by the Sustainable Forestry Initiative, Inc®. PEFC refers to the Programme for the Endorsement of Forest Certification.

Certification and Chain of Custody

To verify responsible sourcing and provide transparency to customers, we support and maintain third-party fiber certification systems. All of our procured fiber meets international standards from the **Forest Stewardship Council (FSC®)**, the **Programme for the Endorsement of Forest Certification (PEFC)**, or **Sustainable Forestry Initiative (SFI®)**³. These certifications provide assurance that fiber used in our products is sourced from responsibly managed forests and controlled sources. Additionally, we maintain chain-of-custody systems that track certified material from the forest through manufacturing and distribution. These systems are independently audited to ensure compliance with certification standards and enable us to make verified claims about certified content.



Our experience with certification audits underscores the importance of robust systems and documentation, including clear communication of certification information in sales and customer-facing materials. Maintaining compliance with certification requirements is critical not only for market access but also for building trust with customers and stakeholders - a key element for our partnership pillar.



Biodiversity Risk Assessment

In 2025, we conducted our first biodiversity risk assessment to better understand nature-related risks across our operations. This analysis used geospatial tools to assess both physical and reputational biodiversity risks at the site level, providing a clearer view of where our activities intersect with sensitive ecosystems.



The assessment applied the WWF Biodiversity Risk Filter, which uses 33 environmental and reputational indicators to evaluate site exposure to ecosystem sensitivity, habitat loss, and resource pressures. This enabled us to identify risk hotspots and differentiate between physical risks (e.g., ecosystem degradation, water stress) and reputational risks linked to biodiversity impacts, with 20 sites assessed as “high” or greater reputational and physical risk, and extreme heat the most material risk. Results are being used to prioritize high-risk sites for deeper analysis and to support integration of biodiversity into site-level decision-making, enterprise risk management, and sustainability reporting.

This assessment establishes our baseline, and we will repeat this analysis on an annual basis to track changes over time and strengthen alignment with emerging frameworks such as the Task Force on Nature-related Financial Disclosures.

Renewable & Bio-Based Content

For Novolex, the integration of bio-based and renewable content is a key component of its material strategy, supporting both decarbonization and long-term resource resilience. By incorporating materials derived from renewable biomass, such as plant-based polymers, fiber, and agricultural byproducts, the company reduces reliance on fossil-based inputs while shifting toward feedstocks that are part of a shorter, regenerative carbon cycle. This is especially important given the significant contribution of raw materials to Novolex's overall environmental footprint.

These inputs also enable innovation across the company's packaging portfolio, helping maintain performance while improving environmental attributes such as carbon intensity and resource efficiency. Importantly, many bio-based solutions can be integrated into existing manufacturing processes, supporting scalability. At the same time, Novolex evaluates these materials through a lifecycle lens, ensuring responsible sourcing and alignment with circular economy principles, customer expectations, and broader sustainability goals.

Design backed by data

Underlying this process is a growing body of product carbon footprint data. PCF analysis is live across our portfolio, giving us - and our customers - a lifecycle view of each product's environmental impact. This matters because design changes that improve end-of-life options can sometimes shift impacts elsewhere in the lifecycle. PCF data lets us verify that a design decision genuinely reduces total footprint, not just improves one metric at the expense of another. It also means that when a customer asks us to substantiate an environmental claim, we can answer with data.



Bread Bag Cellulose Window



As part of our focus on designing for circularity, we have developed a transparent paper window bread bag that eliminates the need for traditional plastic film while maintaining product visibility and performance. The bag features a cellulose-based window within a fully paper structure, enabling a mono-material design that better aligns with fiber recycling streams and simplifies end-of-life handling. This approach preserves the look, feel, and functionality expected of paper packaging while supporting applications such as bread, cookies, and other baked goods. The design has demonstrated early success in repulpability evaluation, reinforcing its compatibility with existing paper recycling systems.

Introducing BioWax into the Novolex portfolio



was more than a simple swap: it was a multi-year transformation of both product and process, driven by a key customer's sustainability goal. Through deep internal collaboration, we worked in lockstep to get it right. Ultimately, we built new capabilities that position us for the future of sustainable barrier coatings."

Liz Jones, Director, Innovation – QSR



Recycled Content

Our approach to recycled content is intentional and flexible. In 2025, about 51% of our total raw material input was renewable, bio-based, or post-consumer (PCR) materials. But no single type of recycled material works for every application, so we use a blended strategy to maximize circularity while ensuring reliable supply. We help choose the most appropriate material based on the performance requirements of the product, availability of certified supply, and our customers' specific sustainability objectives.

Our standard route is mechanically recycled content - using PCR materials from consumer waste and post-industrial (PIR) materials from manufacturing scrap. We sort, clean, and reprocess these materials in our recycling facilities (see highlight), or source them for our trusted suppliers. Then, they are blended with virgin resin or fiber in controlled ratios to maintain product performance. We maintain chain-of-custody processes to account for recycled percentages, and provide certifications when needed. Mechanically recycled inputs are widely accepted by regulators and deliver strong environmental benefits for most mainstream applications.

In other cases, we leverage advanced recycling to meet ambitious recycled content goals or handle processing that cannot be achieved by mechanically recycled materials. Advanced recycling breaks down mixed or lower-quality plastic waste into basic chemical building blocks, then rebuilds them into new, near-virgin-quality plastic (including, of course, food-grade). We source certified advanced recycled resin (under mass balance standards like ISCC+) for certain customer products, especially when high volumes or specialized performance are required. We manage mechanical and advanced recycled streams separately so our customers know exactly what type of recycled content is in the finished product, and to ensure any different regulatory treatment is handled properly.

By blending these approaches, Novolex can incorporate recycled content wherever it makes sense, maintaining quality and helping keep customers ahead of supply or compliance challenges.



39%

Recycled Fiber

17%

Recycled Resin

Used in 2025

APR Demand Champion



As an Association of Plastics Recyclers Demand Champion, we support the advancement of recycling by strengthening demand for recycled content, particularly post-consumer resin (PCR). This includes collaborating across the value chain to promote the use of recycled materials, sharing best practices, and helping address barriers to circularity such as supply consistency and performance requirements. We also engage with industry initiatives to advocate for policies and market incentives that increase recycling rates and end-use demand. By aligning product design, material selection, and customer engagement with these goals, we help accelerate a more circular packaging system and support the long-term viability of recycling infrastructure.

In-House Film Recycling

Novolex operates its own plastic film recycling facilities to close the loop on materials. We reprocess tens of millions of pounds of used polyethylene films (like shopping bags, shrink wrap, and pallet wrap) each year at facilities in North Vernon, IN and Shawano, WI. The material is shredded, washed, and pelletized into high-quality PCR resin that we feed straight back into manufacturing new products (such as retail bags and can liners) with significant recycled content.

Together, these investments strengthen our ability to supply recycled material at scale, reducing reliance on virgin plastic and supporting more circular outcomes for flexible films.



Fiber Circularity: From Bag Scrap to Molded Fiber

We are advancing circularity in our fiber portfolio by developing pathways to recover and reuse post-industrial fiber scrap generated during manufacturing. One example is an emerging initiative to convert paper bag production scrap into molded fiber applications, such as egg cartons.

This work is also being shaped by changes in the recycled fiber stream used for these products. In particular, the availability of recycled newsprint - historically a primary input for molded fiber format - has declined, increasing the importance of alternative, high-quality fiber sources to maintain supply and performance.

Paper bag waste from our manufacturing plants represents a consistent, high-quality fiber stream. This material is now collected and shipped to molded fiber facilities, where it is pulped and reformed into new packaging using established processes. These facilities produce items such as beverage carriers and egg cartons, providing a practical outlet that aligns with existing end uses for recycled fiber.

By converting post-industrial scrap into new fiber-based formats, this initiative supports more efficient material use while responding to evolving raw material availability. It also reflects our broader focus on keeping materials in use longer and creating value from existing resources, while creating real choice for the real world.

Advanced Recycled PP Cup Innovation

We are advancing circular packaging solutions through development of an innovative polypropylene (PP) cold beverage cup for a large quick-service restaurant customer. The cup incorporates advanced recycled PP and bio-renewable content through a mass-balance approach, enabling integration of recycled and renewable feedstocks while maintaining performance and food safety. This solution reflects collaboration across the value chain, including suppliers of chemically recycled polypropylene and bio-based materials derived from used cooking oil —partnerships that are critical to scaling new material solutions in foodservice packaging. **The cups are also designed with end-of-life in mind. Polypropylene beverage cups have achieved the **How2Recycle® “Widely Recyclable” designation**, with recycling access reaching more than 60% of U.S. households.**



Advancing Reuse Systems



We are expanding our capabilities in reusable packaging to meet growing customer demand for solutions that support circular models while maintaining performance and operational efficiency. Reusable systems can play an important role in reducing packaging waste in the right applications, particularly in environments where collection, return, and washing infrastructure are well established.

In 2025, we continued to build on our investment in closed-loop reusable systems, including solutions enabled by our partnership with OZZI. These systems integrate containers, cups, and cutlery with tracking technology to support efficient return, cleaning, and redistribution within controlled environments such as campuses, healthcare facilities, and corporate settings. This approach helps improve return rates, streamline operations, and provide visibility into system performance.

We also expanded reusable product offerings designed for these environments, including solutions that support deposit and return models and simplify participation for end users. Across our portfolio, reusable products are engineered to be durable, easy to clean, and compatible with high-volume foodservice operations.

We recognize that the environmental benefits of reuse depend on system performance. Outcomes are influenced by return rates, infrastructure availability, and operational factors such as logistics, water, and energy use. Our approach focuses on enabling practical, closed-loop systems - combining product design, technology, and partnerships - to support scalable, credible reuse solutions aligned with real-world conditions.

Recognizing Innovation

Novolex PolarPak is proud to be the recipient of the 2025 Balpex Inc. Innovation of the Year Award for the Eco-Products Veda™ Reusable Containers and Ozzi system. This award recognizes companies that demonstrate creative solutions, strong business impact, and market differentiation — a reflection of the vision and hard work of the team behind this achievement.



Designing for End-Of-Life

Packaging sustainability isn't just about what the product made of, but what happens to it after use. That's why we emphasize designing for end-of-life (EOL) as a portfolio strategy and increasingly, a discipline.

In 2025, approximately 64% of our applicable product revenue came from products that are recyclable, compostable, or reusable⁴. That figure is meaningful not because of its size, but because of what it took to earn it: engineering choices made upstream, certification investments, and a commitment to building circularity into how we design from the start.

In sustainability, trust is earned through results, not promises. We work to design plastic products to meet recognized recyclability standards, paper-based packaging to be recoverable wherever collection infrastructure exists, and compostable foodservice products to break down in industrial composting facilities. Our material scientists work to develop materials that are compatible with recycling and composting infrastructure, and we are investing in reusable options that can function at scale. Our product carbon footprint program allows us to verify where design changes genuinely reduce lifecycle impact. Additionally, we are formalizing a claims management process so every claim we make is systematically substantiated, reviewed, and periodically audited before and after it reaches market.

We also know design and discipline alone don't close the loop. **Beyond our own products, we work to close the gap between what's technically possible and what actually happens: participating in industry coalitions, supporting policy efforts to expand recycling and composting infrastructure, and working directly with materials recovery facilities and composters to understand what makes it through their systems in practice.**



64%

Novolex Products That Are Recyclable, Compostable or Reusable in 2025

The goal is a packaging system where the claims on the label match what actually happens in the bin, the truck, and the facility. We are not there yet as an industry. But every design decision, every certification, every coalition meeting, and every honest footnote is a step toward closing that gap.

SmartPour

Dry food packaging for categories like cereal, snacks, and pet food has traditionally relied on a bag-in-box format, where a non-recyclable inner liner is used to maintain freshness and control product flow. That liner is often difficult to handle, prone to mess during use, and typically not recyclable - creating both user frustration and a barrier to more straightforward end-of-life outcomes. SmartPour rethinks the traditional bag-in-box format by eliminating the non-recyclable inner liner and integrating functionality directly into the package. The design improves usability - enabling clean pouring, resealability, and structural stability - while simplifying end-of-life handling. Built on a carton-style structure compatible with existing recycling systems, SmartPour enables a single-step, curbside recycling experience and has been pre-qualified as Widely Recyclable by How2Recycle®.

⁴This metric covers applicable North American and European product revenues. For North American products, recyclability classifications follow the How2Recycle® framework managed by the Sustainable Packaging Coalition, guided by the U.S. FTC and Canadian Competition Bureau. For European products, we apply local regulatory definitions based on collection and processing infrastructure availability. Compostable products carry BPI certification or have been tested against accredited industry standards. Reusable products are classified based on regulation or verified performance testing. Approximately 10% of Novolex revenues are excluded from this metric: products such as trash can liners, construction-application materials, and other durable applications.



Reduced Density Polypropylene (RDPP)

Novolex is advancing packaging innovation through reduced density polypropylene (RDPP), a proprietary platform that delivers the performance of foam-style formats while improving material efficiency and end-of-life potential. RDPP uses an inert gas as the blowing agent to create a lighter-weight structure, avoiding the hydrocarbon or hydrofluorocarbon (HFC) blowing agents used in conventional foamed plastics.

This approach enables weight reduction versus solid polypropylene formats while maintaining performance in applications such as protein and school lunch trays. Because the process does not use hydrocarbon blowing agents, it eliminates VOC emissions during manufacturing and post-use, improving the emissions profile of production.

Engineered as a drop-in solution, RDPP maintains line performance, stiffness, and tray integrity in automated environments. **The technology has achieved APR Design® recognition for the meat and school lunch trays formats.** This recognition provides third-party technical validation that the packaging meets established design criteria for recyclability and is compatible with polypropylene sortation and reprocessing systems. At the same time, Novolex is continuing work to address broader access, collection, and acceptance pathways needed to support future recyclability claims in the market.



BioTuf® Compostable Bags

BioTuf® compostable bags are designed to support the diversion of organic waste while maintaining the strength and performance required for demanding applications. Made from bioplastic materials, these bags are third-party certified compostable under ASTM D6400 standards and the Biodegradable Products Institute (BPI), enabling them to break down in industrial composting environments along with their contents. BioTuf bags are engineered to be puncture- and tear-resistant, providing reliable performance for food scraps, yard waste, and other compostable materials. By combining durability with certified compostability, BioTuf supports waste diversion programs and helps customers reduce landfill dependence while advancing more circular waste management systems.



Compostable Butter Wrap

Compostable butter wraps are a technically demanding fiber-based format requiring barrier performance, converting precision, and operational reliability. Novolex developed a solution using a renewable paper base paired with a proprietary wax formulation for butter and margarine applications. The wrap delivers grease resistance, water and oxygen barrier protection, and maintains dead-fold to preserve product integrity through distribution and use - ensuring compatibility with high-speed packaging systems.

A key innovation is the proprietary wax system that does not contain intentionally added fluorinated chemicals, addressing PFAS-related regulatory and customer concerns. The material has also achieved BPI certification for commercial compostability, validating end-of-life performance.





Packaging Gateway Excellence Awards 2025

Novolex was recognized as a multi-category winner in the 2025 Packaging Gateway Excellence Awards, receiving the Innovation Award in Paperboard Pourables for SmartPour, and the Environmental Award in both Fiber-Based Packaging for our compostable butter wraps and Circular Rigid Plastics for RDPP trays. These awards reflect our commitment to delivering innovative, sustainable packaging solutions that work for customers and the consumers they serve.

Focus on: Eco-Products and Vegware

As part of the Novolex portfolio, Eco-Products and Vegware expand our ability to deliver innovative, circular solutions for foodservice packaging. Eco-Products, acquired by Novolex in 2016, and Vegware, acquired in 2021, are both certified B Corporations, reflecting a shared commitment to meeting rigorous standards for social and environmental performance, accountability, and transparency.

Eco-Products focuses on advancing circular systems through products primarily made with renewable, recycled-content, and reusable raw materials, while Vegware specializes in plant-based packaging designed for composting at scale. Together, these businesses bring deep expertise in material innovation and end-of-life solutions, strengthening Novolex's ability to support customers in navigating evolving sustainability expectations and advancing circularity across the value chain.

Certified



Corporation

Certified B Corporations are businesses that meet high third-party standards for social and environmental impact and commit to continuous improvement. Having B Corp–certified business units within the Novolex portfolio reflects our broader commitment to responsible business and demonstrates how purpose-driven businesses can help drive meaningful progress across the organization.





Responsible Operations & Supply Chain



Climate & Emissions

Climate Resilience

Energy Efficiency

Water Stewardship

Waste Management

Operational Excellence

Supply Chain Responsibility

Climate & Emissions

Decarbonization



Novolex's climate strategy is grounded in rigorous measurement, transparent reporting, and targeted operational action, with a focus on delivering measurable emissions reductions across the combined enterprise. Since 2022, Novolex and Pactiv Evergreen on a combined basis have reduced greenhouse gas emissions by approximately 1 million metric tons of CO₂e, reflecting the impact of footprint changes, coordinated operational improvements, energy efficiency investments, and use of renewable electricity (see [Energy Efficiency](#) section for more). This progress demonstrates the scale of opportunity created through integration and supports a unified "One Novolex" approach to decarbonization.

Legacy Novolex Target Progress

This recent performance builds on the company's established foundation of emissions management. Novolex set a global greenhouse gas (GHG) emissions baseline in 2019 to enable consistent tracking and performance management, as well as a target to reduce Scope 1 and Scope 2 emissions intensity by 30% by 2030, measured per ton of production, as part of its Sustainability Linked Financing (SLF) framework. This target applies to the legacy Novolex operational boundary and does not include the Pactiv Evergreen acquisition. As of 2025, the company has achieved a 25% reduction in emissions intensity against this target.

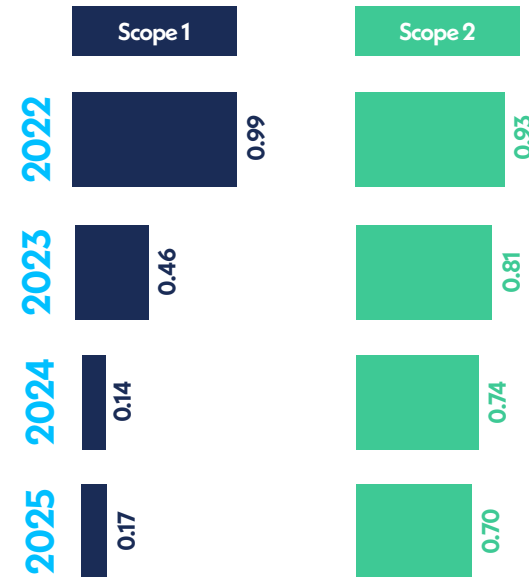
Performance against both the SLF metric and the overall enterprise's inventory continues to be subject to annual third-party assurance, reinforcing data integrity and the linkage between environmental outcomes and financial performance.

Integration Activities

Following the April 2025 combination with Pactiv Evergreen, Novolex is integrating emissions data, governance structures, and energy programs to further accelerate progress. The company continues to maintain transparency regarding legacy targets and boundaries while aligning systems and processes to support enterprise-wide reporting. In parallel, supplier engagement strategies are being strengthened to improve Scope 3 emissions measurement and reduction. As integration advances, Novolex is evaluating future near- and long-term GHG reduction goals for the combined company.

Scope 1 and 2 (location-based) GHG Emissions Progress

millions MT CO₂e



Climate Target Progress

30%

reduction in Scope 1 and 2 emissions intensity by 2030⁵

achieved in 2025

25%

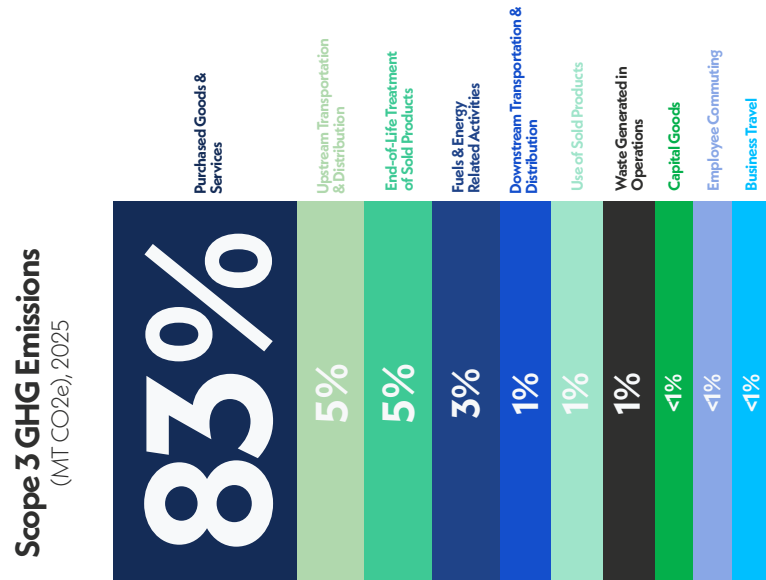
⁵Legacy Novolex operational boundary: 2019 baseline, MT CO₂e / ton production

Scope 3 Emissions



Novolex measures Scope 3 emissions in alignment with the GHG Protocol by assessing indirect emissions across its value chain, including both upstream and downstream activities. To establish a comprehensive baseline, Novolex integrated data from its two legacy companies, harmonizing methodologies, assumptions, and reporting boundaries to create a consistent, combined inventory. This integration required consolidating supplier data, spend-based estimates, and activity-level inputs to ensure comparability across business units, as well as updated materiality assessment of Scope 3 categories.

The analysis shows that the majority of Novolex's Scope 3 footprint is concentrated in Category 1 (purchased goods and services), which is typical for packaging and manufacturing businesses with complex supply chains. Recognizing this, in 2025 Novolex conducted a detailed exercise focused on improving emissions factors for key suppliers. This effort aimed to move from generalized, spend-based data toward more accurate, supplier-specific emissions insights, enabling better identification of hotspots and more targeted decarbonization strategies across the supply chain.



Climate Resilience

The potential impacts of climate change present both material risks and strategic opportunities for Novolex across its operations, supply chain, and end markets. As a global manufacturer of fiber and resin packaging solutions, Novolex is exposed to physical climate hazards as well as transition dynamics associated with the global shift toward a lower carbon economy. These factors have the potential to affect operational continuity, cost structures, asset values, customer demand, and long term competitiveness.

Climate Risk Assessment Approach

Novolex conducted a scenario based climate risk assessment aligned with the Task Force on Climate Related Financial Disclosures (TCFD) and the California Climate Related Financial Risk Act (SB 261). The assessment leverages the Resilience Climate Hazard Atlas and Digital Twin framework, integrating CMIP6 climate projections, NGFS scenario pathways, and facility level operational and financial data. Climate risks are evaluated across short term (+5 years), medium term (+10 years), and long term (2040) horizons under three scenarios: Current Policies (~3°C), Below 2°C, and Net Zero by 2050 (1.5°C aligned).

Key Climate-Related Risks

Physical risks increase in severity over time under higher-emissions scenarios. The most material physical risks identified include heatwaves, drought and water stress, and severe storms and flooding, which may reduce workforce productivity, disrupt water-dependent operations, damage assets, and interrupt logistics and supply chains. Transition risks are more pronounced under lower-emissions scenarios,

particularly in the short and medium term. Material transition risks include policy and regulatory changes such as carbon pricing, shifts in customer demand toward lower-carbon and circular products, reputational exposure linked to climate performance, and changes in investor sentiment that may affect access to capital and financing costs.

Resilience and Adaptation Strategies

To strengthen resilience to physical climate risks, Novolex is implementing adaptation measures across its operations and supply chain, including investments in energy efficient cooling and building systems, workforce health and safety protocols, water efficiency upgrades, infrastructure planning, and diversification of manufacturing, warehousing, and sourcing footprints. Emergency preparedness, insurance coverage, and business continuity planning are used to reduce exposure to extreme weather related disruptions and accelerate recovery. These actions are embedded within Novolex's enterprise strategy, capital planning, and site level operations, ensuring climate resilience is addressed as part of day to day business execution.

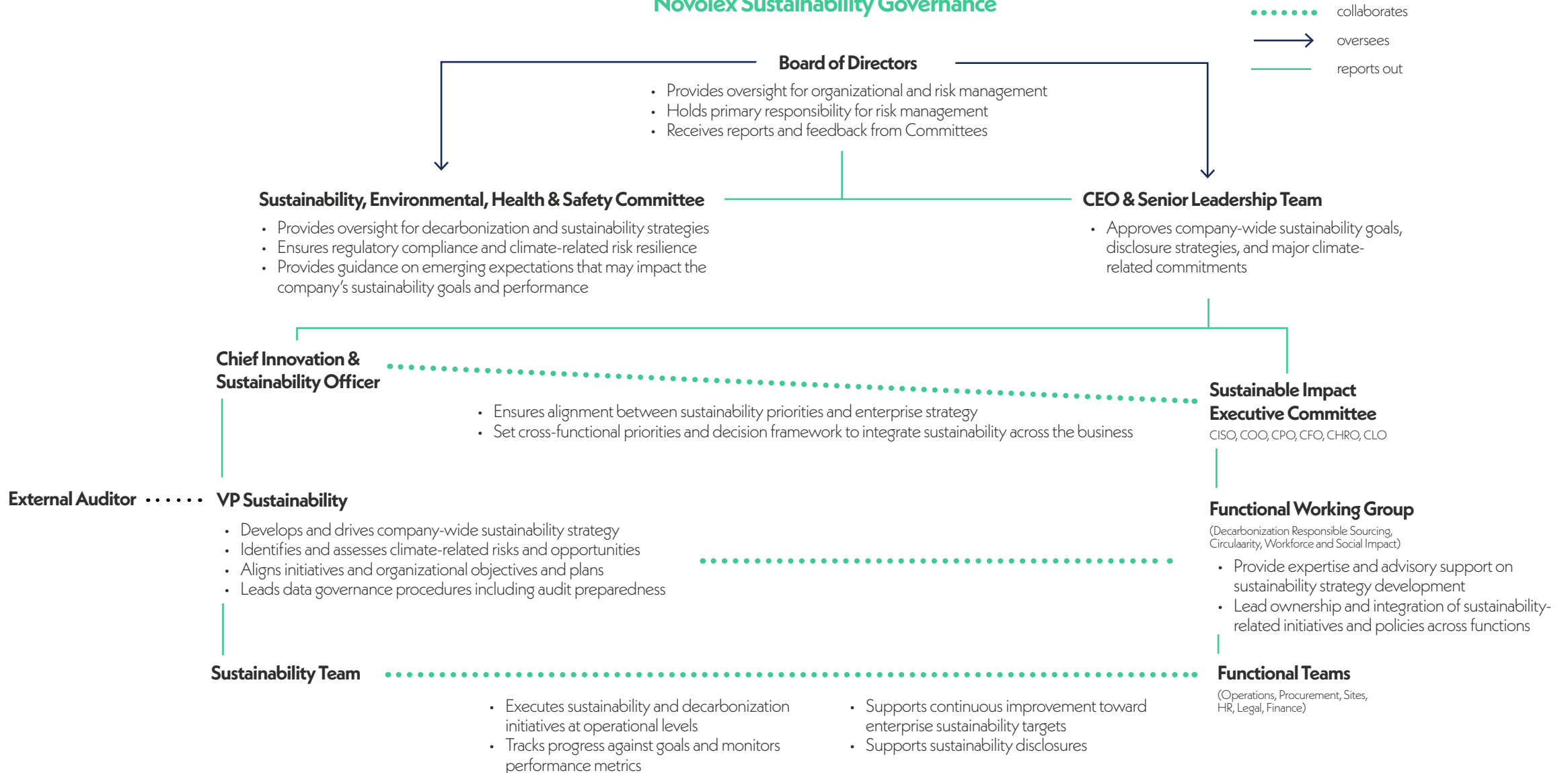
Climate-Related Opportunities

The transition to a lower carbon economy also presents meaningful opportunities for Novolex, including sustainable packaging innovation, operational decarbonization through energy efficiency and renewable energy procurement, and supply chain collaboration to reduce emissions and improve resilience. These actions support revenue growth, cost management, and long term value creation while reinforcing that climate related opportunities are already integrated into Novolex's growth and value creation strategy.



Site-specific analysis of damage and disruption for Novolex facilities (all hazards, change in earnings impact, Below 2°C Scenario, medium-term time horizon), Resilience Climate Hazard Atlas.

Novolex Sustainability Governance



Energy Efficiency

Energy efficiency is a foundational pillar of Novolex's operational and decarbonization strategy, anchored in a centralized, portfolio-wide approach to identifying, prioritizing, and executing energy conservation measures. An initial series of assessments across more than 50 priority sites has focused on understanding facility-level energy profiles, prioritizing high-impact opportunities, and embedding energy performance into operational decision-making. The analysis indicates that process loads represent the largest share of energy demand, with HVAC, compressed air, and process cooling the key areas of opportunity, enabling Novolex to align operational improvements with emissions reduction targets.

Delivering on Energy Efficiency

Operational efficiency initiatives are translating this strategy into execution: projects spanning HVAC optimization, compressed air controls, process cooling upgrades, lighting retrofits, and heater insulation are in phases of development, planning, or execution across our footprint. These projects are designed not only to reduce energy intensity, but also to improve equipment reliability, stabilize production environments, and reduce maintenance risk - delivering operational resilience alongside cost savings. Measurement and verification are embedded into the program to ensure savings persistence and transparency as projects move into billing and monitoring phases.

Energy-As-A-Service as a Lever for Progress

Critically, Novolex has paired technical execution with a disciplined financing and governance model to accelerate impact without constraining internal capital. By leveraging Energy as a Service and performance based financing structures. This approach supports consistent decision making across all sites, strengthens site level engagement, and positions energy efficiency as a repeatable operating capability rather than a one time initiative, thereby driving reduced emissions exposure.

2025 Novolex Energy Mix



50+

Energy Audits across
enterprise footprint

Water Stewardship

Across Novolex facilities, water use is generally non consumptive, meaning it is returned to the source after use, following treatment if necessary. Our efforts are therefore centered on improving efficiency, maintaining water quality, and ensuring compliance with applicable regulations. This includes implementing site-level initiatives such as equipment upgrades, process optimization, and reuse where feasible to reduce overall water intensity.

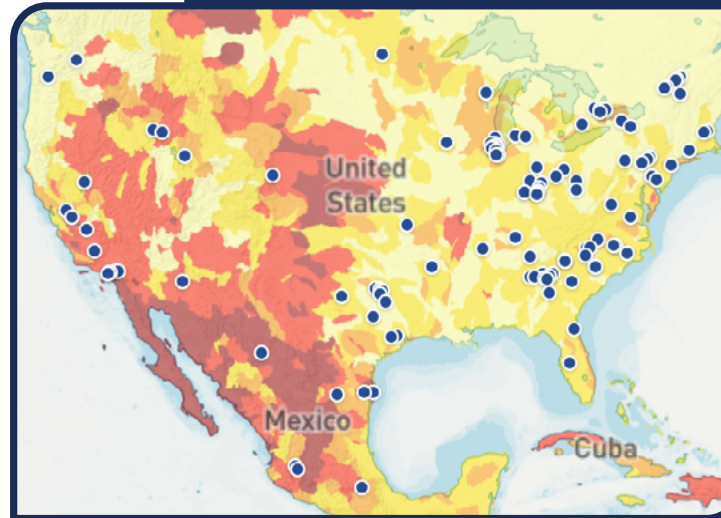
We continue to evaluate opportunities to improve water performance through targeted projects. Examples include retrofitting equipment to enable the use of reclaimed water in specific processes, upgrading treatment and filtration systems, and monitoring water use more closely to identify reduction opportunities. These efforts are supported by plant-level teams who are responsible for identifying and implementing practical improvements aligned with operational needs.

While water represents a smaller portion of our overall environmental footprint compared to energy and materials, we remain committed to responsible water stewardship by improving efficiency, protecting water quality, and supporting long-term resource sustainability.

Water Risk Assessment

Understanding water risk across our footprint is a key input to our broader environmental risk management approach. Novolex conducts site-level water risk analysis using the World Resources Institute (WRI) Aqueduct Water Risk Atlas, mapping facility locations against baseline water stress, drought exposure, and other physical risk indicators.

This analysis enables us to identify facilities operating in high water stress regions and prioritize them for further evaluation. In 2025, over 50% of sites were located in such areas. Outputs from this analysis inform site prioritization, operational planning, and future data collection efforts. The results are also being integrated into broader environmental risk frameworks alongside climate and biodiversity, supporting more consistent identification and management of location-based risks across the enterprise.



Waste Management

Novolex remains committed to managing waste responsibly, recognizing that everyone plays a part in waste reduction and landfill diversion. With the acquisition of Pactiv Evergreen in 2025, we focused on best practice sharing across operations and strengthening partnerships with waste service providers to advance sustainable waste management solutions and improve landfill diversion outcomes. In addition, we piloted a Zero Waste Program at five strategic locations designed to test strategies for increasing recycling, minimizing landfill disposal and driving operational efficiency. These efforts mark an important step in our broader journey to refine our waste metrics, scale best practices and accelerate progress toward our sustainability goals. In total, Novolex generated approximately 240,000 metric tons of waste in 2025, 82% of which was diverted from landfill.

Hazardous Waste

Hazardous waste represents a very small portion of Novolex's overall waste footprint, accounting for less than one percent of total waste generated. Despite its limited volume, we are committed to managing this waste stream responsibly, with a focus on protecting the health and safety of our employees, the environment and the communities in which we live and work.

To meet regulatory requirements and reinforce effective waste management, select Novolex facilities maintain robust processes for tracking, monitoring and managing hazardous waste generated on-site. At locations where hazardous waste is generated, we have targeted initiatives to minimize generation, including solvent capture and reuse programs that reduce waste while improving resource efficiency.

Focus on: South Haven

Novolex's South Haven site conducted an audit of the site's recycling and waste programs in collaboration with third-party waste partner, Casella. During review, it was identified primarily brown bag bales were being recycled, while remaining fiber materials were being landfilled. Following the audit, we partnered with Casella to design and implement a more robust recycling program. This expanded approach now captures additional streams including cardboard, twisted paper handles, roll wrapping, and butt rolls. As a result of these improvements, the site successfully diverted 224 tons of material from the landfill and eliminated over 37 compactor hauls in 2025. These changes not only reduce environmental impact but also improve operational efficiency while lowering disposal costs.

Waste Generated in Operations

82%

18%

Landfilled

0%

Combusted

<0.1%

Composted

Recycled



Operational Excellence



EHS&S



Quality



Supply Chain



Continuous Improvement



People



Asset Care

OPX360



OPX360 is our company-wide Operational Excellence system, a unified way of working that connects every site, every team, and every process across operations. It defines what great looks like and gives us the tools to achieve it.

Six Pillars, One Standard

OPX360 gives us a single system to benchmark, measure, and improve performance across six core pillars of our value stream:

- EHS&S
- Quality
- Supply Chain
- Continuous Improvement
- People
- Asset Care

Measuring What Matters

Success starts with clear targets, real-time insights, and transparent performance. Monthly KPI scorecards hold every site accountable and help teams understand where they're winning and where they need to improve. OPX360 turns data into dashboards and actions that highlight trends, top-performing locations, and breakthrough results.

The LIFT Process

Measurement is only part of the story, and the support behind the results matters just as much. Through LIFT (Leaders for Improvement & Facility Transformation), leaders partner with sites to identify root causes, solve problems, and elevate operational capability.

Factory Championship

When we deliver results, we celebrate our people. The OPX360 Factory Championship program recognizes and rewards our top-performing plants: those that hit the numbers and live the continuous improvement behaviors that fuel our momentum.

OPX360 is more than a system. It represents who we are becoming: a stronger, more consistent, more competitive Novolex. Every improvement becomes part of our new normal, captured, shared, and strengthened across our network.

Food and Product Safety

At Novolex, our commitment to food and product safety begins at the highest levels of leadership and extends throughout the organization. Our employees adhere to globally recognized standards, such as those benchmarked set by the Global Food Safety Initiative (GFSI), which was created in 2000 by food industry leaders to reduce food safety risks and enhance trust in the supply chain.



Supply Chain Responsibility



Novolex manages a global supply network supporting more than 100 manufacturing facilities across North America and Europe. Supply chain responsibility at this scale requires disciplined risk management, transparency, and continuous engagement. Our approach focuses on identifying where labor, human rights, and ethical risks are most likely to occur, prioritizing resources accordingly, and working with suppliers to address issues before they become operational, legal, or reputational risks for our customers.

Novolex establishes baseline expectations for suppliers through the Novolex Supplier Code of Conduct, which is included in all new supplier onboarding. The Code sets minimum standards related to working conditions, health and safety, ethical conduct, and respect for human rights, including explicit prohibitions on child labor, forced labor, human trafficking, and other forms of modern slavery. It is aligned with internationally recognized frameworks such as the UN Guiding Principles on Business and Human Rights and ILO labor standards. Over 99% of our suppliers have signed our Code of Conduct, with a very small percentage requesting exceptions due to conflicts with their own policies; these cases are formally acknowledged and addressed through signed communications.

To support consistent visibility across a diverse supplier base, particularly in higher-risk geographies, Novolex uses third-party platforms and assessment frameworks such as Sedex and the SMETA 4-Pillar audit methodology. Additionally, our global, multi-tier supply chains is screened and monitored using specialized supply chain mapping technology capable of identifying potential forced labor and

child labor risks beyond direct suppliers. Daily automated screening are also conducted across supplier and customer data against multiple governmental restricted party, sanctions, and forced labor-related watch lists. These tools provide comparable insight into labor standards, health and safety, environmental practices, and business ethics, helping us identify systemic risks, track corrective actions, and prioritize engagement where it matters most.

2,400+
supplier certifications obtained
confirming review of supply chains and
adherence to requirements prohibiting
forced labor and child labor.





Thriving People for Strong Communities



Safety First

Culture & Engagement

Community

Policy Engagement & Industry Leadership

Safety First

Champion Safety

Champion Safety is our first core value at Novolex, and it shapes how we show up for one another every single day. We champion the safety, security, and well-being of our families. We empower one another through ongoing education, coaching, and shared accountability. We work together to identify and reduce risks with a relentless pursuit of excellence. And above all, we strive to ensure that every employee returns home safely each day.

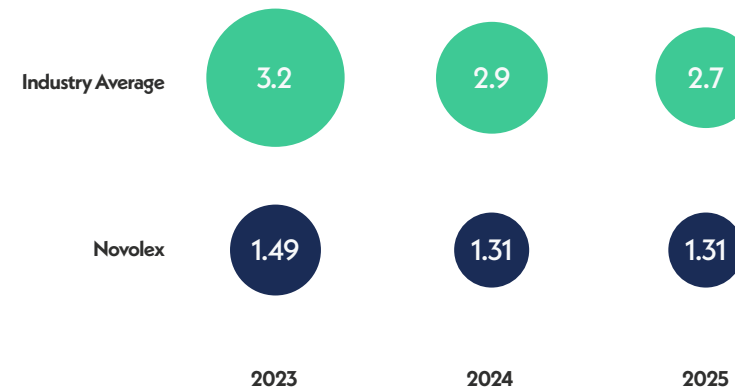


At Novolex, safety is an integral part of our operations and central to everything we do. Guided by the Novolex Safety Handbook, we are committed to maintaining a safe and healthy work environment for all employees, suppliers, and contractors. Our Health and Safety Management System supports efficient management of inspections, incident investigations, and the implementation of corrective and preventive actions. To ensure continuous improvement, the S&EHS Committee of the Novolex Board of Directors reviews safety performance and program progress on a quarterly basis.

Safety Performance

Novolex consistently maintains a Total Recordable Incident Rate (TRIR) below the industry average, as defined by Occupational Safety and Health Administration guidelines and Bureau of Labor Statistics data. In 2025, our TRIR was 1.31. Employees continue to create better and safer tasks and procedures, which are crucial for continuous improvement. We focused our efforts in 2025 on improving safety by applying safety strategies that meet and exceed industry standards.

Total Recordable Injuries Rate (TRIR) vs. Industry Average⁶



⁶Total Recordable Incident Rate (TRIR). Data includes all Novolex locations. Injury Rate Industry Benchmarks developed by (1) using the U.S. Bureau of Labor Statistics Incidence Rates for the two primary manufacturing activities of Novolex, which are Plastics Manufacturing, NAICS 3261 and Paper Converting, NAICS 3222 and (2) weighting each manufacturing operation's rates based on the relative hours worked for each operation.

Safety Initiatives



At Novolex, championing safety means actively demonstrating our commitment through programs, recognition, and shared learning across every facility. The following initiatives reflect some of the ways our teams work together to reinforce a culture of safety.

Good Catch Program

The Good Catch Program, which is being expanded to our entire network, encourages employees on the production floor to report near misses, suggest areas for improvement, and recognize colleagues who demonstrate outstanding efforts in creating a safe work environment. The program rewards transparency and encourages everyone to identify hazardous conditions or insufficient procedures.



Since the program's inception, thousands of submissions have been made, reflecting a meaningful shift toward open communication and proactive risk identification across our facilities.

Monthly Safety Tips

We share targeted monthly safety tips with employees across our facilities covering hazards both on the job and at home, because we know that safety does not stop at work. Monthly themes have included:



Eye and Face Protection: Employees received guidance on proper use of ANSI-approved safety glasses, face shields, and goggles in production environments, as well as tips for protecting their eyes during everyday activities at home.



Hearing Protection: Employees learned about noise exposure thresholds, proper use of earplugs and earmuffs at work, and how to protect their hearing at home through everyday habits.



Hand and Finger Safety: With a focus on one of the most common areas of workplace injury, employees received practical guidance on glove selection, pinch point awareness, Lockout/Tagout procedures, and safe practices at home.



Winter Safety: Employees received tips for staying safe during winter months, covering cold weather hazards at work, home heating safety, and safe driving in winter conditions.

Safety Spotlight

Grant Park, IL 3-Year Recordable-Free Milestone

Our facility in Grant Park, IL surpassed the three-year recordable-free mark, a significant accomplishment that reflects the dedication of every employee at the plant. The plant held a celebration for all shifts, with times running from 6 AM to 7 PM, featuring a catered lunch, prizes, and outdoor activities. We connected with Angel Rodriguez, Plant Manager, to learn more about what this milestone means to the Grant Park team.

Q: What do you think made the biggest difference in reaching this milestone?

A: The people. Every employee at Grant Park takes ownership of safety, not just for themselves but for the person working next to them.

Q: What would you tell other facilities working toward a milestone like this?

A: Make sure every employee feels empowered to raise a concern or stop a task if something does not feel right. The expectation for all leaders in the building is to stop what they are doing if an employee has an issue. We put our employee's needs first to make sure they are safe, productive, and doing what is right.

Q: What does this achievement mean to the Grant Park team?

A: It means everything. This represents three years of every single person coming to work and making the right choices. I would like to thank all the employees at Grant Park for their dedication to championing safety.

Angel Rodriguez, Plant Manager



Lancaster, TX Lone Star Safety Award

Our facility in Lancaster, TX earned the Lone Star Safety Award from the Texas Department of Insurance, Division of Workers' Compensation. This recognition reflects the team's strong commitment to employee health, safety, and continuous improvement. We're proud of our Lancaster, TX team for maintaining exemplary safety practices and representing Novolex among Texas employers recognized for outstanding performance.



Culture & Engagement

At Novolex, Celebrate People is one of our core values, and it shows up in how we invest in our employees every day. We are committed to building an environment where people at every stage of their career feel supported, recognized, and part of something meaningful. Our Culture and Engagement strategy is designed to touch all facets of our business and foster a workplace that mirrors the communities in which we operate, cultivating an environment where everyone feels included.

Culture & Engagement Pillars

Our Culture and Engagement work is grounded in five pillars that guide how we build a workplace where every employee has the opportunity to thrive. Each pillar is supported by a focused set of actions that drive meaningful progress across recruitment, development, culture, leadership, and supplier diversity.



Recruitment



Culture



Supplier
Diversity



Leadership
Commitment &
Accountability



Growth &
Development



Recruitment

Our work in recruitment focuses on ensuring hiring practices are consistent, inclusive, and effective across the organization. This includes harmonizing job descriptions, attending job fairs focused on underrepresented communities, and deploying a Best Practices in Hiring certificate for people managers.

Growth & Development

We are committed to providing employees with clear pathways to grow within Novolex. We launched career pathing for three key functions and introduced a new training focused on Culture and Engagement to build capability across the organization.

Culture

We support our Novolex Vets and Women at Novolex communities and created a toolkit to help celebrate key employee milestones and anniversaries. We also continue to host education panels that bring employees together and foster a greater sense of belonging across our facilities.

Leadership Commitment & Accountability

Strong culture starts with strong leadership. We continue to engage with our Culture and Engagement Council members, providing ongoing support to ensure our programs and priorities are reflected at every level of the organization.

Supplier Partnerships

We recognize that building a strong organization extends beyond our own walls. We continue to strengthen our supplier framework and enhance governance and visibility into our certified supplier efforts, ensuring we are building partnerships that reflect the communities we serve.

Investing in Early Talent *Handshake Early Talent Awards 2026*

Our internship program is built around one idea: interns should do real work. From day one, Novolex interns contribute to meaningful projects, present to senior leaders, visit our facilities, and engage in volunteer experiences tied to our values. Across functions including manufacturing, supply chain, engineering, finance, and human resources, interns gain the kind of hands-on exposure that accelerates growth and opens doors. Novolex earned the 2026 Handshake Early Talent Award, recognizing companies that deliver exceptional early career experiences. Many interns go on to build careers with us, a outcome that reflects the strength of the program and the talent we are proud to welcome.



Supporting Our Families

The Novolex Chairman's Scholarship Program annually awards partial four-year scholarships to children of employees based in the U.S., allowing them to pursue post-secondary education at schools of their choice. The program reflects our commitment to investing not just in our employees, but in their families, honoring the contributions those families make to our company. A dedicated employee panel reviews all applications and selects the winners. The following are our 2025 scholarship recipients:



Daniel Shchebalev

Son of Natalia Shchebalev, Associate Finance Manager, in Illinois

Daniel Shchebalev will attend the University of Illinois Urbana-Champaign, where he plans to study political science and public policy before continuing on to law school.



Kirtan Patel

Son of Piyush Patel, Extrusion Department, in Brampton, ON

Kirtan Patel plans to pursue a career in engineering focused on energy affordability and climate change. Kirtan wants to develop practical, sustainable solutions that address real challenges facing communities.



Jaffer Moosavi

Son of Zakiya Fatima, Credit & Collections Analyst, in Brampton, ON

Jaffer Moosavi is pursuing a Bachelor of Education as he works toward earning his teaching license in Ontario. Jaffer is focused on supporting students and contributing to youth development through both his studies and community work.



Zeyad Alyas

Son of Rana Yonan, Engineer, Design, in Richmond Hill, ON

Zeyad Alyas will attend Western University, where he plans to study kinesiology as he works toward a future in medicine. Zeyad is focused on research, leadership, and community health work and wants to build a career that improves access to care.



Lily Trantow

Daughter of Thea Trantow, Sr. Buyer, Contractor Services, in Ohio

Lily Trantow will attend Wilmington College, where she plans to study communication arts with a focus on digital media and Spanish. Lily hopes to build a career in digital media and return to her community through service and leadership.

Amplifying Employee Voices

Novolex's Employee Engagement Survey is an important part of understanding how our employees experience working here and where we can do better. Participation is voluntary and all responses are fully confidential, reflecting our commitment to creating a space where employees feel safe sharing honest feedback. The survey is a direct expression of our Celebrate People value — a commitment to listening to our workforce and taking meaningful action.

Honoring Veterans

Novolex has a long-standing tradition of hiring veterans at every level of the organization. Across our operations and leadership teams, hundreds of veterans and military spouses bring discipline, experience, and purpose to our workplace every day.

We are proud to be recognized on the Military Times Best for Vets: Employers List, a distinction awarded to organizations with demonstrated programs and support systems for veterans transitioning to civilian careers.

Women Breaking the Mold

Plastics News annually recognizes women across the plastics and manufacturing industries who are breaking barriers, making a difference, and serving as role models. Three Novolex employees — **Amanda Merten, Christine DeHaven, and Laura Rae Arbore** — were among those selected, reflecting the depth of talent across our organization and our commitment to building a culture where that talent is developed and recognized.



Sharing Success

The Broad-Based Employee Award Plan (BEAP) is a long-term, cash-based program that allows eligible employees to share in the company's long-term success. BEAP is one of several ways we recognize performance, reward contributions, and reinforce a culture of accountability and results.



Talent Attraction, Development, & Growth

Learning and Career Development

We provide a comprehensive learning environment that combines required and elective training across safety, compliance, and environmental and social responsibility, alongside professional and leadership development. Employees are expected to complete ongoing training annually through our myLearning platform, supported by digital learning platforms, site-level training programs, and in-person sessions tailored to specific roles and responsibilities. Sustainability capability is embedded throughout this system, with training delivered through EHS&S programs, operational learning, and structured initiatives such as OPX360, which integrates sustainability into day-to-day decision-making across functions.

We continue to strengthen our leadership pipeline through formal development programs designed to build core management capabilities. These programs are complemented by performance management processes, career pathing initiatives across key functions, and ongoing feedback between employees and managers, providing greater clarity on growth opportunities and supporting internal mobility.

Novolex employees logged approximately 375,500 training hours in 2025, averaging 17 hours per employee.

375,500
training hours

Recruitment

Novolex also strengthens its recruitment approach by actively building robust talent pipelines through partnerships with external organizations like local Chambers of Commerce and State/local workforce commissions, community colleges and technical schools. We also run targeted outreach efforts, including engagement at job fairs and early career events. At the same time, we maintain a strong focus on early talent development through structured internship programs and hands-on learning experiences aligned with business priorities.

Leadership Development in Practice

Novolex delivers targeted leadership training through programs such as Situational Leadership® II (SLII®), a two-day, in-person course for current and emerging leaders. The program focuses on coaching, communication, and adapting leadership styles to meet employee development needs, strengthening team performance and engagement. Novolex also offers Supervision Essentials Training for Front Line Leaders, which builds foundational people-leadership skills for supervisors and helps strengthen day-to-day leadership effectiveness across our operations.

Enterprise-Wide Leadership Exchange

The Exchange Series is an enterprise-wide leadership development forum designed to connect leaders across Novolex and create space for shared learning on topics that matter most to the business. Novolex has also launched a monthly series for Operations Leaders and emerging Operations Leaders, focused on areas of interest requested by our leaders. These sessions provide practical discussion, peer learning, and timely insights that support stronger leadership capability across our operations network.

Meeting Tomorrow's Talent

Novolex's 2026 internship program included 33 interns participating in a 12-week structured experience featuring leadership sessions, site visits, and project-based work aligned with innovation, product development, and sustainability priorities.



Community

Make Tomorrow Better is more than a core value - it is a call to action that drives how Novolex shows up for the communities where we live and work. Through local partnerships, volunteerism, and employee-led initiatives, our people bring that commitment to life every day, investing their time, energy, and care in the places and causes that matter most to them.

Month of Action

Month of Action is one of the most meaningful ways our Novolex employees gives back. The program empowers employees to support the organizations and causes closest to them, with a particular focus on food insecurity. As a leading manufacturer of food, beverage, and specialty packaging, Novolex is uniquely positioned to make a difference in this space.

To encourage engagement and amplify impact, we recognize top-performing teams based on pounds of food donated and volunteer hours completed, with awards and additional donations directed to charitable organizations focused on food insecurity.

In 2025, our Novolex family showed up in a big way. Employees across our locations supported over 100 non-profit organizations through hands-on volunteer events, food drives, and community initiatives.

2025 Month of Action by the Numbers

152,000
pounds of food donated

7,705
volunteer hours

86
volunteer events

3,329
participants

104
non-profit partners

Planting Roots in Our Communities



Our commitment to community extends to the planet we share. For the fifth consecutive year, Novolex partnered with the Arbor Day Foundation and the Community Canopy Program, donating 300 trees to Novolex employees to plant in their own neighborhoods. Each tree is a small but lasting investment in the health of our communities and the world we are building for future generations.



Policy Engagement & Industry Leadership

As a leader in packaging, Novolex recognizes that advancing circularity requires collaboration across the value chain. We have a responsibility to help promote and protect the products we bring to market, support the systems that manage them at end of life, and contribute constructively to the evolution of recycling and composting infrastructure. Because no single company can solve these challenges alone, we actively engage with customers, suppliers, recyclers, composters, industry groups, NGOs, and policymakers to expand recovery pathways, improve system performance, and ensure that sustainability claims align with real world outcomes.

We also advocate for responsible legislation, regulation, and standards that foster transparency, consistency, and accountability across the packaging sector. Our engagement focuses on helping shape well designed policies that enhance recyclability and compostability, support access to effective infrastructure, and provide regulatory clarity for the communities and customers we serve. Finally, we support responsible trade policy and other initiatives that support strong economic conditions and help sustain quality jobs in the communities where we work and live. Through participation in trade associations, regulatory working groups, and technical forums, Novolex contributes practical, data driven insight on issues such as labeling and claims requirements, recycled content standards, extended producer responsibility, and emerging circular economy policies - helping translate policy intent into solutions that can function at scale.

Our Industry Partners

American Forest and Paper Association (AF&P) ●

American Institute for Packaging and the Environment (Ameripen) ●●

Associated Industries of Massachusetts (AIM)

Association of Plastic Recyclers (APR) ●

American Recyclable Plastic Bag Association (ARPBA)

Association of Washington Businesses (AWB)

Bioegradable Products Institute (BPI)

California Manufacturing & Technology Association

Canadian Chamber of Commerce

Carton Council

Florida Recycling Partnership (FRP) ●

Flexible Packaging Association (FPA) ●●

Food Packaging Institution (FPI) ●

Illinois Manufacturing Association

International Molded Fiber Association (IMFA)

Michigan Manufacturing Association

National Association for PET Container Resources (NAPCOR)

New York Business Roundtable

Ohio Chamber of Commerce

Plastics Industry Association (PLASTICS) ●●

Recycle Colorado

South Carolina Manufacturing and Commerce

Sustainable Packaging Coalition (SPC)

How2Recycle

Tennessee Chamber of Commerce ●

● Board Seat

● Technical or Committee Seat





Embedded Governance & Trust

Governance & Partners

Ethics, Integrity & Human Rights

Data Privacy & Security

Governance & Partners

Board Sustainability Oversight

Novolex's Board of Directors oversees sustainability through its Sustainability & Environmental, Health & Safety (S&EHS) Committee, which is composed of four Board members. This committee is delegated authority to oversee the company's policies, practices, and performance on sustainability, including environmental, health & safety matters and climate-related topics. It meets quarterly to review progress on key sustainability indicators, receives updates from senior leadership (including the CEO and subject matter experts) on regulatory developments and strategic climate initiatives, and provides guidance on emerging stakeholder expectations. The committee reports its findings and recommendations to the full Board, ensuring informed oversight and strategic alignment on sustainability.

Executive Leadership and Strategic Integration

Executive leadership actively drives sustainability initiatives. The CEO and the Chief Innovation & Sustainability Officer (CISO) hold primary management responsibility for sustainability and climate matters. The CISO is a member of the S&EHS Committee, providing a direct link between management and Board oversight. Internally, the CISO leads cross-functional coordination of sustainability strategy - working with other executives to embed sustainability priorities into business plans and operations.

Operational Execution, Data Governance, and Assurance

Cross-functional teams at multiple levels execute the sustainability strategy. The Vice President of Sustainability, supported by their team and ad hoc working groups, identifies and evaluates sustainability impacts, aligns initiatives with enterprise goals, and ensures strong sustainability data governance, including audit readiness. At the operational level, teams from Operations, Procurement, Manufacturing, HR, Legal, and Finance implement decarbonization and circularity projects, monitor performance metrics, and support continuous improvement toward sustainability targets. These teams also contribute to annual sustainability reporting and other climate disclosures. Additionally, Novolex engages an independent auditor to verify its Scope 1 and Scope 2 greenhouse gas emissions data, ensuring transparency and accuracy in climate performance reporting.

Sustainability Policy

Novolex's [Sustainability Policy](#) establishes a shared understanding of our commitment to responsible business practices across the enterprise. It integrates environmental stewardship, social responsibility, and sound governance into our strategy, operations, and decision-making, guiding how we design products, operate facilities, support our people and communities, and engage stakeholders. The policy complements applicable laws and regulations by clarifying principles, governance, and accountability expectations, and it is implemented through training, oversight, and continuous improvement processes to embed sustainability into everyday business activities.

Novolex Partners

With the close of the transaction combining Novolex with Pactiv Evergreen on April 1, 2025, funds managed by Apollo affiliates hold a majority ownership stake in Novolex. As of July 2025, minority stakes in Novolex are held by CPP Investments and by some members of company management. Apollo and CPP Investments each share a deep commitment to supporting value-added decarbonization and climate-related initiatives across their funds' portfolio companies.



Ethics, Integrity, & Human Rights



Novolex is committed to the highest standards of ethics and compliance. We promote a culture of integrity and accountability in which every employee is expected to do what's right. A robust ethics and compliance program underpins this commitment. All employees receive regular training on our Code of Conduct and key policies, participate in awareness campaigns, and practice everyday ethical decision-making. This focus on proactive compliance helps ensure that our teams understand their responsibilities and champion ethical behavior in all business activities. We encourage employees to ask questions and speak up about potential issues, with clear non-retaliation protections so concerns can be raised without fear.

Employee Code of Conduct

Novolex's [Code of Conduct](#) applies to everyone across the company, from officers to employees, to contractors, and defines how we conduct business with integrity. It sets clear expectations in all key areas of ethical behavior: complying with laws and regulations (including anti-corruption and fair competition rules), treating others with fairness, dignity, and respect (zero tolerance for discrimination or harassment), avoiding conflicts of interest, protecting company assets and confidential information, maintaining a safe workplace, and acting responsibly toward our communities and the environment. The Code of Conduct reinforces that no unethical or unlawful behavior will be tolerated, and it encourages employees to speak up about any concerns, underscoring our policy of no retaliation for reporting issues.

Human Rights

Novolex demonstrates a strong commitment to human rights through a clear, zero-tolerance stance on illegal, forced, or involuntary labor, human trafficking, child labor, and discriminatory labor practices. Its Human Rights Policy outlines principles and procedures aligned with internationally recognized frameworks, including the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. This policy is reinforced by the company's [Modern Slavery Statement](#), which reflects key regulatory requirements such as the U.K. Modern Slavery Act and similar legislation in the United States, Europe, and Canada.

To embed these commitments operationally, Novolex provides targeted training to Human Resources, Procurement, and International Trade Compliance teams. These measures support consistent implementation across the organization and supply chain. By prioritizing transparency, compliance, and workforce protection, Novolex aims to safeguard workers, reduce risk, and strengthen stakeholder confidence in its ethical business practices.

over
1,200+

employees in relevant roles completed annual Trade Compliance Essentials training in 2025, including content on forced labor and child labor prevention, sanctions and restricted party controls, and supply chain risk awareness.



Data Privacy & Security

Novolex recognizes that a robust security program is essential to protect our employees, assets, products, data, systems, and reputation from evolving cyber threats. We invest significant time and resources to maintain secure systems across the company and adapt our defenses as the cybersecurity risk landscape changes. A cornerstone of this approach is engaging our workforce to champion cyber awareness. Novolex has implemented comprehensive security policies, processes, and technical controls, and we reinforce them through regular employee training, enterprise-wide awareness campaigns, and periodic simulated exercises. These measures help ensure that security best practices are embedded in our culture and that we continue to build stakeholder trust in our resilience.

Novolex is equally committed to protecting and responsibly handling the data entrusted to us by customers, vendors, employees, and website visitors. We uphold strict data classification policies to safeguard sensitive information and comply with applicable privacy laws. This approach is supported by ongoing data mapping, rigorous internal controls, and the implementation of business resiliency plans, regular risk assessments, and records retention policies to maintain operational continuity and compliance. For more details on these programs and our practices, please consult our Privacy Policy.

Data Protection

We employ a multi-layered approach to protecting data from unauthorized access or disclosure, including:

- Internal controls for employees and third parties to restrict physical or digital access to Novolex systems, data and locations.
- Consistent use of multi-factor authentication.
- Network and emails scanned 24/7 for threats.
- Appropriate and periodic vulnerability scans.
- Vendor evaluation, including authentication and application security and infrastructure and data review as well as physical and digital access to data.
- Periodic user access reviews and third-party access approval in accordance with established IT internal controls.
- Required Service Organization Control 1 reports for third-party applications with financial relevance, which include testing of physical and digital access to data.





Appendix

[About This Report](#)

[Data Summary](#)

[GRI Content Index](#)

[Assurance Letter](#)



About This Report

This report reflects our progress during 2025 unless otherwise noted, and some 2026 initiatives. It was prepared with reference to the Global Reporting Initiative (GRI) and informed by the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD) and the United Nations Global Compact.



Sustainability Report Scope

The information in this report relates to the activities of the operations of Novolex Holdings LLC, headquartered in Charlotte, NC, and its subsidiaries, unless otherwise specified. As such, the data presented in this presentation includes the activities of Pactiv Evergreen Inc., acquired on April 1st, 2025, and excludes businesses outside of North America that we have recently divested. This reporting was prepared by Novolex based on internal calculations. The information and data presented in this report are for the January 1st, 2025 to December 31st, 2025 periods unless otherwise noted and all such information has been subjected to appropriate review procedures by management. Metrics regarding Scope 1 and 2 GHG emissions have been subjected to limited assurance procedures (limited assurance report available [here](#)). Data parameters and calculation methods use a combination of international, government, industry and company standards and protocols. Novolex made a reasonable effort to ensure the information presented is accurate and complete. We continue to evaluate issues that are material to our sustainability strategy, expand our disclosures and refine our methodology. The materiality standards that we have used in this reporting and in our internal review processes may differ from the standards that are applied in other contexts.

Report Contact

We welcome opportunities to discuss our sustainability strategy and performance. For any questions or comments about this report, please contact our team at sustainability@novolex.com.

Data Summary

Management determined that the information included in the Sustainability Data Summary tables below was relevant to provide for 2025. These tables were derived in reference to the GRI and SASB standards where applicable. The data presented in this summary are for 2025.

Metric	2025
Activity	
Number of sites (includes corporate, manufacturing, warehouses, and distribution)	140
Countries of operations	United States, Canada, Mexico, the Netherlands, the United Kingdom

Metric	2025
Materials & Products	
Converted product (mt)	2,269,339 ⁷
Percentage of Raw Materials From (% Procured Weight)	
Recycled content	26%
Renewable resources	41%
Renewable, bio-based, or PCR content	51%
Amount of recycled and recovered fiber procured (mt)	295,418
Percentage of revenue from applicable products that are recyclable, compostable or reusable.	64%
Number of recalls issued, total units recalled	0

⁷Amounts reported on this line represent sold products for the sites within our operational boundary for the reporting period as defined by the Greenhouse Gas Protocol.



Metric	2025
Carbon & Climate⁸	
Scope 1 emissions (mt CO₂e)	169,586
Scope 1 emissions intensity (mt CO ₂ e/mt converted product)	0.07
Scope 1 emissions covered under emissions-limiting regulations (percentage total Scope 1)	0%
Scope 2 (location-based) emissions (mt CO₂e)	703,092
Scope 2 (location-based) emissions intensity (mt CO ₂ e/mt converted product)	0.31
Scope 2 (market-based) emissions (mt CO ₂ e)	598,665.00
Scope 2 (market-based) emissions intensity (mt CO ₂ e/mt converted product)	0.26
Total Scope 1 and 2 (market-based) emissions (mt CO ₂ e)	768,250.58
Total Scope 1 and 2 (market-based) emissions intensity (mt CO ₂ e/mt converted product)	0.34
Scope 3 emissions (mt CO₂e)	5,803,934
S3: C1 Purchased Goods and Services	4,800,995
S3: C2 Capital Goods	26,987
S3: C3 Fuels and Energy-Related Activities	201,128
S3: C4 Upstream Transportation and Distribution	287,048
S3: C5 Waste Generated in Operations	54,435
S3: C6 Business Travel	6,133
S3: C7 Employee Commuting	17,527
S3: C9 Downstream Transportation and Distribution	69,038
S3: C11 Use of Sold Products	60,389
S3: C12 End-of-Life of Sold Products	280,254
Scope 3 emissions intensity (mt CO ₂ e/mt converted product)	2.56
Total Scope 1, 2 (location-based) and 3 emissions (mt CO₂e)	6,676,612
Total Scope 1, 2 (location-based) and 3 emissions intensity (mt CO ₂ e/mt converted product)	2.94

⁸Information related to divested businesses are excluded from the metrics for the entire reporting year in the year divested as per Greenhouse Gas Protocol guidance. As such, the information presented in this inventory management plan excludes the Waddington Europe businesses that were divested in 2025. Information related to acquired businesses are included from the metrics for the entire reporting year in the year of the acquisition and as such, includes the Pactiv Evergreen businesses acquired during the reporting year.



Metric	2025
Energy	
Total energy consumption (in megawatt hours (MWh))	3,095,528
Total energy intensity (MWh/mt converted product)	1.36
Total renewable energy consumption (in megawatt hours (MWh))	59,637
Energy consumed for Scope 1 and 2 (location-based) emissions (MWh)	3,095,528
Energy intensity for Scope 1 and 2 (location-based) emissions (MWh/mt converted product)	1.36
Total self-generated energy (MWh)	26,230
Electrical power consumed from the grid (MWh)	2,108,770

Metric	2025
Water	
Water withdrawn (megaliters) ⁹	3,854
Water intensity (megaliters/mt converted products)	0.002
Percentage of facilities under high or extremely high water risk according to the WRI Aqueduct	53%

⁹Water withdrawn metric represents intake at 72% of Novolex sites.



Metric	2025
Forestry	
Percentage sourced virgin fiber meeting fiber sourcing standard	100%
Chain-of-Custody Certified Fiber (% total fiber)	15%
% Applicable Sites with Chain-of-Custody Certifications	100%

Metric	2025
Biodiversity	
Percentage of sites under high or very high physical biodiversity risk according to the WWF Biodiversity Risk Filter	33%



Metric	2025
Waste	
Waste diverted from disposal / landfills (% total waste generated) ¹⁰	82%
Municipal Solid Waste (mt)	65,410
Percentage recycled	38%
Percentage composted	0.2%
Percentage incinerated with or without energy recovery	<0.1%
Percentage landfilled	62%
Non-Hazardous Industrial Waste (mt)	3,254
Percentage recycled	19%
Percentage composted	0%
Percentage incinerated with or without energy recovery	5%
Percentage landfilled	76%
Hazardous Industrial Waste (mt)	475
Percentage recycled	13%
Percentage composted	0%
Percentage incinerated with or without energy recovery	39.0%
Percentage landfilled	48%
Scrap and SLOB (mt)	171,746
Percentage recycled	>99%
Percentage composted	0%
Percentage incinerated with or without energy recovery	<0.1%
Percentage landfilled	<1%

¹⁰Percentage of total generated waste that was composted, recycled or incinerated (with energy recovery).



Metric	2025
Employment	
Percentage salaried employees ¹¹	15%
Percentage employees covered by collective bargaining agreement ¹²	14%
New Employee Hires (Hourly, Salary)	
Hourly	95%
Salary	5%
New Hires Identifying as Women (Hourly, Salary) ¹³	
Hourly	30%
Salary	29%
New Hires Identifying as Black, Indigenous or People of Color (Hourly, Salary) ¹⁴	
Hourly	71%
Salary	36%
Number of Novolex Employees	
Global	22,950
U.S.	18,807
Canada	1,250
Mexico	2,776
Other international locations	117

¹¹Novolex data includes salaried and temporary employees of all U.S. locations (representing 82% of the workforce in 2025)

¹²Novolex data includes salaried and temporary employees of all U.S. locations (representing 82% of the workforce in 2025)

¹³U.S. Employees whose employment started during the relevant year.

¹⁴U.S. Employees whose employment started during the relevant year.



Metric	2025
Demographics ¹⁵	
Women in workforce (percentage U.S. employees)	32%
Women in mid-level leadership (manager to associate director) (percentage U.S. mid-level leaders)	28%
Women in senior leadership (director and above) (percentage U.S. senior leaders)	27%
Black, indigenous or people of color in workforce (percentage U.S. employees)	59%
Black, indigenous or people of color in mid-level leadership (manager to associate director) (percentage U.S. mid-level leaders)	29%
Black, indigenous or people of color in senior leadership (director and above) (percentage U.S. senior leaders)	13%
Workforce age group 60 and over (percentage U.S. employees)	16%
Workforce age group 50–59 (percentage U.S. employees)	25%
Workforce age group 40–49 (percentage U.S. employees)	23%
Workforce age group 30–39 (percentage U.S. employees)	22%
Workforce age group under 30 (percentage U.S. employees)	14%
Veterans (percentage U.S. employees)	3%

¹⁵Novolex data includes salaried and temporary employees of all U.S. locations (representing 82% of the workforce in 2025)



Metric	2025
Worker Health and Safety	
Total Recordable Incident Rate (TRIR) ¹⁶	1.31
OSHA citations	6
Percentage of manufacturing and warehousing sites covered by EHS management system	100%

Metric	2025
Training and Education	
Percentage of salaried employees receiving regular performance and career development reviews	100%

Metric	2025
Governance	
Total number board members	10
Board diversity - Female	20%

¹⁶Total Recordable Incident Rate (TRIR) Novolex data includes all Novolex locations.



GRI Content Index

Novolex Holdings LLC has reported the information cited in this GRI content index for the period January 1 – December 31, 2025 with reference to the GRI Standards, GRI 1: Foundation 2021. Disclosures can be found in this Sustainability Report under the Section referenced in this table as well as the Data Summary table starting page 54.

GRI Indicator	Description	Page reference	Links
The organization and its reporting practices			
2-1	Organizational details	About Novolex, p. 4; Governance and Partners, p. 49, About This Report, p. 53, Data Summary, p. 54	novolex.com/company-overview
2-2	Entities included in the organization's sustainability reporting	About This Report, p. 53	
2-3	Reporting period, frequency and contact point	About This Report, p. 53	
2-4	Restatements of information	N/A	
2-5	External assurance	About This Report, p. 53; Assurance Letter, p. 69	
2-6	Activities, value chain and other business relationships	About Novolex, p. 4; Products that Perform in Use and End of Life, p. 16; Supply Chain Responsibility, p. 36, Stakeholder Engagement, p. 13; Policy Engagement and Industry Leadership, p. 47	novolex.com/company-overview
2-7	Employees	Data Summary; About Novolex, p. 4	
2-8	Workers who are not employees	Data Summary	

GRI Indicator	Description	Page reference	Links
Governance			
2-9	Governance structure and composition	The reporting entity, Novolex Holdings, LLC ("Novolex"), is majority owned and controlled by affiliates of Apollo Global Management through a holding company structure in which the Board Directors of our ultimate parent company is our highest governance body. See also, Governance and Partners, p. 49, Novolex Sustainability Governance, p. 31, Data Summary	
2-10	Nomination and selection of the highest governance body	Board members are nominated by the principal shareholders; committee members are selected by the Board. The criteria for nominating and selecting the members of the Board took into consideration: (i) the views of stakeholders (including shareholders); (ii) diversity; (iii) independence; and (iv) competencies relevant to the impacts of the organization.	
2-11	Chair of the highest governance body	Governance and Partners, p. 49	
2-12	Role of the highest governance body in overseeing the management of impacts	Governance and Partners, p. 49; Novolex Sustainability Governance, p. 31,	
2-13	Delegation of responsibility for managing impacts	Governance and Partners, p. 49; Novolex Sustainability Governance, p. 31,	
2-14	Role of the highest governance body in sustainability reporting	Governance and Partners, p. 49; Novolex Sustainability Governance, p. 31; About This Report, p. 53	
2-16	Communication of critical concerns	Governance and Partners, p. 49; Ethics, Integrity, and Human Rights, p. 50	
2-17	Collective knowledge of the highest governance body	Governance and Partners, p. 49	
2-19	Remuneration policies	Selected senior executives are evaluated annually against goals that include impacts on the economy, environment and people.	

GRI Indicator	Description	Page reference	Links
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from Stan, p. 3; Sustainability at Novolex, p. 7	
2-23	Policy commitments	Ethics, Integrity, and Human Rights, p. 50	Novolex Employee Code of Conduct , Novolex Sustainability Policy , Novolex Human Rights Policy , Novolex Modern Slavery Statement , Novolex Supplier Code of Conduct ; Contractual Terms and Conditions
2-24	Embedding policy commitments	Governance and Partners, p. 49; Ethics, Integrity, and Human Rights, p. 50; Supply Chain Responsibility, p. 36	Novolex Sustainability Policy
2-25	Processes to remediate negative impacts	Employees are informed of grievance procedures and the Novolex Employee Ethics Hotline during onboarding and on-going via communications and posters to reinforce grievance procedures. Employees can report grievances to their direct supervisors and to their Human Resources representatives. Both Novolex employees and suppliers' employees have access to the Novolex Ethics Hotline to report potential violations of the Novolex Code of Conduct or the Novolex Supplier Code of Conduct, respectively, confidentially and without fear of retaliation. See also: Ethics, Integrity, and Human Rights, p. 50; Supply Chain Responsibility, p. 36	Employee Code of Conduct ; Supplier Code of Conduct
2-26	Mechanisms for seeking advice and raising concerns	Ethics, Integrity, and Human Rights, p. 50	
2-28	Membership associations	Policy Engagement and Industry Leadership, p. 47	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement, p. 13	
2-10	Nomination and selection of the highest governance body	Board members are nominated by the principal shareholders; committee members are selected by the Board. The criteria for nominating and selecting the members of the Board took into consideration: (i) the views of stakeholders (including shareholders); (ii) diversity; (iii) independence; and (iv) competencies relevant to the impacts of the organization.	
GRI 3: Material Topics			
3-1	Process to determine material topics	Materiality and UN SDGs Alignment, p. 9; Stakeholder Engagement, p. 13	
3-2	List of material topics	Materiality and UN SDGs Alignment, p. 9	
3-3	Management of material topics	Products that Perform in Use and End of Life, p. 16; Fiber Sourcing, p. 19; Recycled Content, p. 21; Designing for End-Of-Life, p. 24; Climate and Emissions, p. 28; Energy Efficiency, p. 31; Water Stewardship, p. 33; Waste Management, p. 34; Supply Chain Responsibility, p. 36; Safety First, p. 38; Culture and Engagement, p. 41; Community, p. 46; Policy Engagement and Industry Leadership, p. 47	

GRI Indicator	Description	Page reference	Links
GRI 201: Economic Performance			
201-2	Financial implications and other risks and opportunities due to climate change	Climate Resilience, p. 30	
GRI 205: Anti-Corruption			
205-2	Communication and training about anti-corruption policies and procedures	Ethics, Integrity, and Human Rights, p. 50	Code of Conduct
GRI 301: Materials			
301-1	Materials used by weight or volume	Data Summary	
301-2	Recycled input materials used	Data Summary; Recycled Content, p. 21	
GRI 302: Energy			
302-1	Energy consumption within the organization	Data Summary; Energy Efficiency, p. 32	
302-3	Energy intensity	Data Summary	
302-4	Reduction of energy consumption	Energy Efficiency, p. 32	
GRI 303: Water and Effluents			
303-1	Interactions with water as a shared resource	Water Stewardship, p. 33	
303-2	Management of water discharge-related impacts	Water Stewardship, p. 33	
303-3	Water withdrawal	Data Summary; Water Stewardship, p. 33	

GRI Indicator	Description	Page reference	Links
GRI 304: Biodiversity			
304-2	Significant impacts of activities, products and services on biodiversity	Fiber Sourcing, p. 19	
GRI 305: GHG emissions			
305-1	Direct (Scope 1) GHG emissions	Data Summary; Climate and Emissions, p. 28; Assurance Letter, p. 69	
305-2	Energy indirect (Scope 2) GHG emissions	Data Summary; Climate and Emissions, p. 28; Assurance Letter, p. 69	
305-3	Other indirect (Scope 3) GHG emissions	Data Summary; Climate and Emissions, p. 28	
305-4	GHG emissions intensity	Data Summary	novolex.com/company-overview
305-5	Reduction of GHG emissions	Climate and Emissions, p. 28; Energy Efficiency, p. 32	
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Waste Management, p. 34; Designing for End-Of-Life, p. 24	
306-2	Management of significant waste-related impacts	Waste Management, p. 34; Designing for End-Of-Life, p. 24; Operational Excellence, p. 35	
306-3	Waste generated	Data Summary; Waste Management, p. 34	
306-4	Waste diverted from disposal	Data Summary; Waste Management, p. 34	
306-5	Waste directed to disposal	Data Summary; Waste Management, p. 34	
GRI 308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Supply Chain Responsibility, p. 36	Supplier Code of Conduct

GRI Indicator	Description	Page reference	Links
GRI 401: Employment			
401-1	New employee hires and employee turnover	Data Summary	
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	Safety First, p. 38; Operational Excellence, p. 35; Data Summary	
403-2	Hazard identification, risk assessment, and incident investigation	Safety First, p. 38	
403-3	Occupational health services	Safety First, p. 38	
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety First, p. 38	
403-5	Worker training on occupational health and safety	Safety First, p. 38; Talent Attraction, Development, and Growth, p. 45	
403-6	Promotion of worker health	Safety First, p. 38; Culture and Engagement, p. 41	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety First, p. 38; Supply Chain Responsibility, p. 36	
403-8	Workers covered by an occupational health and safety management system	Data Summary; Safety First, p. 38	
403-9	Work-related injuries	Data Summary; Safety First, p. 38	

GRI Indicator	Description	Page reference	Links
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Talent Attraction, Development, and Growth, p. 45	
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Attraction, Development, and Growth, p. 45; Culture and Engagement, p. 41	
404-3	Percentage of employees receiving regular performance and career development reviews	Data Summary	
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Data Summary; About Novolex, p. 4; Culture and Engagement, p. 41	
GRI 408: Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	Supply Chain Responsibility, p. 36; Ethics, Integrity, and Human Rights, p. 50	Human Rights Policy; Modern Slavery Statement , Supply Chains Act Report
GRI 409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply Chain Responsibility, p. 36; Ethics, Integrity, and Human Rights, p. 50	Human Rights Policy; Modern Slavery Statement , Supply Chains Act Report
GRI 412: Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Ethics, Integrity, and Human Rights, p. 50; Supply Chain Responsibility, p. 36	
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Community, p. 46	
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Supply Chain Responsibility, p. 36	Supplier Code of Conduct
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	Products that Perform in Use and End of Life, p. 16; Renewable and Bio-Based Content, p. 20	
GRI 417: Marketing and Labeling			
417-1	Requirements for product and service information and labeling	Designing for End-Of-Life, p. 24; Fiber Sourcing, p. 19	

July 14, 2026

Management Assertion

Management of Novolex Holdings, LLC (“Novolex”) is responsible for the completeness, accuracy and validity of the information included in the Specified Metrics Report (the “Report”) below. Management is also responsible for the collection, quantification, and presentation of the metrics in the Report and for the selection and development of criteria, which management believes provide an objective basis for measurement and reporting on the metrics in the Report. Management of Novolex asserts that the metrics in the Report for the fiscal year ended December 31, 2025 are presented in accordance with the criteria set forth in Footnote 1 to the Report.

Specified Metrics Report

Metrics	FY 2025 Value	Unit of Measurement
Scope 1 Emissions	169,586	MT CO ₂ e
Scope 2 Emissions (location-based)	703,092	MT CO ₂ e
Scope 2 Emissions (market-based)	598,665	MT CO ₂ e
Total Scope 1+ Scope 2 (location-based) Emissions	872,677	MT CO ₂ e

Footnote 1 - Criteria

The following summary table defines the criteria used for calculating the metrics included in the Report above (the “Criteria”). During 2025, Novolex completed its acquisition of Pactiv Evergreen Inc. (“Pactiv Evergreen”); and for purposes of this Report, emissions from Pactiv Evergreen are included in the reporting boundary.

Metrics	Criteria Definitions
Scope 1 Emissions	The Scope 1 Emissions, the Scope 2 Emissions (location-based), and the Scope 2 Emissions (market-based) that are presented in the Report have been measured in metric tons of carbon dioxide equivalent (MT CO ₂ e) and calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), published by the World Resources Institute/World Business Council for Sustainable Development (the “GHG Protocol”).
Scope 2 Emissions (location-based)	
Scope 2 Emissions (market-based)	

GHG Emissions Disclosures

Organizational Boundary

The organizational boundary is applied consistently across the metrics included in this Report. In accordance with the GHG Protocol, Novolex utilized the operational control approach for determination of the organizational boundary for reporting the metrics. The information in this Report relates to the activities of the United States (U.S.), Canada, Mexico, the United Kingdom, and the Netherlands operations of Novolex and its subsidiaries during the reporting year. Facilities, vehicles and forklifts included in our organizational boundary are those that are owned or leased and over which we have operational control. Facilities for the purpose of this Report refers to our manufacturing facilities, distribution facilities and office facilities.

Information related to divested businesses are excluded from the metrics for the entire reporting year in the year divested. As such, the information presented in this Report excludes the Waddington Europe businesses that were divested in 2025. Information related to acquired businesses are included from the metrics for the entire reporting year in the year of the acquisition and as such, includes the Pactiv Evergreen businesses acquired during the reporting year.

Overview of GHG Emissions Methodologies

Carbon dioxide equivalent (CO₂e) emissions are inclusive of carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄). These CO₂e emissions utilize Global Warming Potentials (GWPs) defined by the Intergovernmental Panel on Climate Change’s (IPCC’s) Fifth Assessment Report (AR5 – 100 year), unless a different Assessment Report is already embedded in the emission factor source. The other GHGs of hydrofluorocarbons (HFCs), sulfur hexafluoride (SF₆), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃) are not emitted by Novolex’s operating locations based on the in-scope emission sources. Emissions data by individual gas is not disclosed as a majority of CO₂e relates to CO₂. CO₂e emissions are calculated by multiplying actual or estimated energy/fuel usage by relevant emission factors and GWPs. All emission factors are updated annually where applicable.

GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

Scope 1 Emissions

Scope 1 Emissions include direct GHG emissions generated from stationary and mobile combustion of fuels (natural gas, mobile propane):

- Natural gas and propane data was collected for owned and leased facilities within the organizational boundary where the relevant fuel was used.

- Emissions are calculated based on monthly and annual fuel usage data collected from third-party invoices through our bill-pay vendors or facility management records.
- Where third-party invoices or facility management records were not available, natural gas and propane usage were estimated using methodologies appropriate to the available data for each fuel type. Natural gas usage was estimated based on facility square footage and facility type per the lease agreement, applying corresponding average usage benchmarks reported in the U.S. Energy Information Administration’s Commercial Buildings Energy Consumption Survey (CBECS). Propane usage was estimated using average annual usage by facility type, calculated from facilities with available usage data and applied to facilities of the same type known to use propane but lacking documented usage records.
- Estimated emissions from the sources above account for less than 1% of reported Scope 1 emissions.
- Diesel, gasoline and kerosene usage was estimated following the same methodology as mobile propane. Following that estimate, management determined that emissions from diesel and gasoline usage were not material to total reported emissions and were therefore excluded from the inventory.
- Direct GHG emissions generated from refrigerant gas losses were estimated using facility square footage and facility type per the lease agreement, and the U.S. Environmental Protection Agency’s (EPA) HFC Emissions Accounting Tool (Version 1.1) for the services sector for the months leased for the reporting year. Based on this estimate, management determined that emissions from refrigerant gas losses were not material to total reported emissions and were therefore excluded from the inventory.

Emissions factors:

Emissions Source	Emissions Factor Source (Scope 1 emissions)
Natural Gas, mobile propane	U.S. Environmental Protection Agency (EPA) 2025 Emission Factors for Greenhouse Gas Inventories (February 2025) [AR5] (“U.S. EPA 2025 Emission Factors for Greenhouse Gas Inventories”)

Scope 2 Emissions

Scope 2 Emissions include indirect GHG emissions from the generation of purchased electricity and steam usage at owned and leased facilities within the organizational boundary.

- Purchased electricity is either sourced from the grid or from the property owner for direct use on-site.
- Purchased steam is sourced from a utility distribution company.
- Emissions are calculated based on monthly usage data collected from third-party invoices through our bill-pay vendors or facility management records.
- Where third-party invoices or facility management records were not available, electricity usage was estimated based on facility square footage and facility type per the lease agreement, applying corresponding average usage benchmarks reported in the U.S. Energy Information Administration's Commercial Buildings Energy Consumption Survey (CBECS).
- Estimated emissions from the sources above account for less than 0.2% of both reported total Scope 2 location-based emissions and total Scope 2 market-based emissions.

Emissions factors (location-based)

The following grid-average emission factors were applied in calculating total Scope 2 location-based emissions:

Applicable Emissions Source	Country	Emissions Factor Source (Scope 2 market-based emissions)
Electricity, Steam	United States	U.S. EPA 2025 Emission Factors for Greenhouse Gas Inventories
Electricity, Steam	Canada, Mexico, United Kingdom, Netherlands	International Energy Agency Emissions Factors (IEA) (Pub. Sep 2025) [AR6] ("IEA Emissions Factors 2025")

Emissions factors (market-based)

The GHG Protocol's hierarchy of market-based emission factors was used to calculate total Scope 2 market-based emissions. Under this hierarchy, emission factors are derived from the following instrument types, applied in order of precedence:

- Contractual Instruments: Where available, contractual instruments were applied first. Novolex purchases renewable electricity for certain of its manufacturing or production sites (three for the 2025 reporting year) for a portion or all of the reporting year. The renewable energy credits (RECs) applied for the reporting year have been retired, and a zero emission factor was applied to the corresponding electricity consumption.
- Supplier/Utility Emission Factors: For sites without applicable contractual instruments, supplier- or utility-reported emission factors were applied where available. These factors were sourced from utilities in the U.S. that publicly disclose their emission factors, as set forth in the table below.
- Residual Mix Emission Factors: For sites without an applicable contractual instrument or supplier/utility-specific emission factor, residual mix emission factors were applied based on the relevant country of operation, as set forth in the table below.

Applicable Emissions Source	Country	Emissions Factor Source (Scope 2 market-based emissions)
Electricity	United States	Supplier/utility reported: Edison Electric Institute's Electric Company Carbon Emissions and Electricity Mix Reporting Database for Corporate Customers (June 2025)
Electricity	United States	Residual mix: Green-E Energy Residual Mix Emissions Rates Center for Resource Solutions (CRS) (2026)
Electricity	Canada	Residual mix: National Inventory Report 1990 - 2022: Greenhouse gas sources and sinks in Canada Part 3
Electricity	Mexico	Residual mix: IEA Emissions Factors 2025
Electricity	United Kingdom, the Netherlands	Residual mix: Association of Issuing Bodies Emissions Factors (2025)

