

NOVOLEX

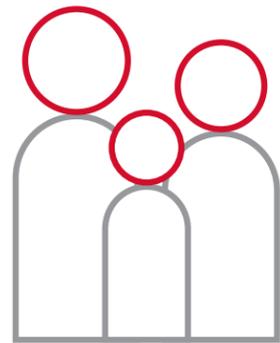
SUSTAINABILITY REPORT

2021



CHOICE. INNOVATION. SUSTAINABILITY.

 **6** COUNTRIES

 **10,000+**
FAMILY MEMBERS

 **2** RECYCLING FACILITIES

 **57** MANUFACTURING FACILITIES

On the front cover (left to right):

Photo 1: Duro® Dubl Life® Recycled Content Shopping Bags | **Photo 2:** Eco-Products® Cutlerease® Dispensing System
Photo 3: Vegware™ Bon Appetit Bowls | **Photo 4:** Performance Solutions Stretch Hooder Film

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CEO Message

AS we introduce our fourth sustainability report, I am pleased to share significant progress towards the ambitious corporate commitments Novolex has made to expand environmental, social and governance (ESG) initiatives. Continuing traditions of growth and innovation, Novolex efforts in 2021 reinforced our desire to shape the future of the packaging industry.

We continued companywide efforts to reduce greenhouse gases from our operations. Reflecting our progress, I'm proud to share that in 2021 we met the greenhouse gas reduction target we set for 2025 and extended our target to 30% by 2030. To measure our contribution to the circular economy, this year's report provides data associated with the end-of-life profile of our products: 78% of applicable Novolex revenues are from products that are recyclable, compostable or reusable.

Multiple Novolex actions demonstrate our commitment to continuously improving the end-of-life options for products. In 2021, Vegware and Flexo Converters joined the Novolex family, adding to our portfolio of compostable and recyclable products made from renewable resources. Novolex also continues to advocate for well-crafted extended

producer responsibility (EPR) legislation. Combined with our product innovation and industry engagement efforts, these actions will add to our selection of products designed for the circular economy, and we look forward to sharing our progress in 2022.

The focus on metrics is a central component of our approach to sustainability. We continue to follow Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB) guidance. And, we have added key performance indicators (KPIs) for each of our sustainability pillars to improve transparency and accountability across the organization.

Together with our 10,000 Novolex family members, customers, suppliers and other stakeholders, we will continue developing meaningful goals and advancing our sustainability vision. I'm pleased to highlight Novolex's success in this report and look forward to the collaboration that will solve the challenges ahead.

LET'S TACKLE THESE CHALLENGES TOGETHER!



STAN BIKULEGE



Novolex Approach to Sustainability

SUSTAINABILITY IS A CORNERSTONE of the Novolex brand and culture. We manufacture products in plastic, paper and multiple other bio-based materials for the food, retail, health and industrial markets. We employ over 10,000 people at 57 manufacturing facilities and principal administrative offices in North America and Europe. We serve customers that operate in two segments: Food & Delivery and Performance Solutions. To learn more about Novolex and the products we make to solve global challenges, see our company overview webpage.

Our 2021 Sustainability Report reflects Novolex's performance in alignment with the company's sustainability vision, pillars and metrics. Unless otherwise indicated, the data shared in this report is from the calendar year 2021. Our 2020 materiality assessment, provided in the Appendix, informed the content in this report, in addition to Novolex subject matter experts across our product segment categories, individual brand portfolios and corporate functions.

Reporting Disclosures

Novolex is committed to continually evolving our sustainability reporting practices in alignment with reputable reporting frameworks and through sharing a transparent story about our business. This report contains selected disclosures from the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) frameworks. See Content Index for more information on SASB and GRI disclosures. We welcome feedback and questions about this report and our sustainability program. Please contact sustainability@Novolex.com with comments and questions.

SUSTAINABILITY TERMINOLOGY

Since publishing our first report in 2019, we have used the term "sustainability" to refer to the breadth of Novolex initiatives that fall within the scope of environmental, social and governance (ESG) expectations. We have maintained our traditional nomenclature in this year's report while recognizing that language around sustainability continues to evolve with the adoption of terms such as ESG, impact, corporate responsibility and other variations.



Sustainability Vision, Pillars and Metrics

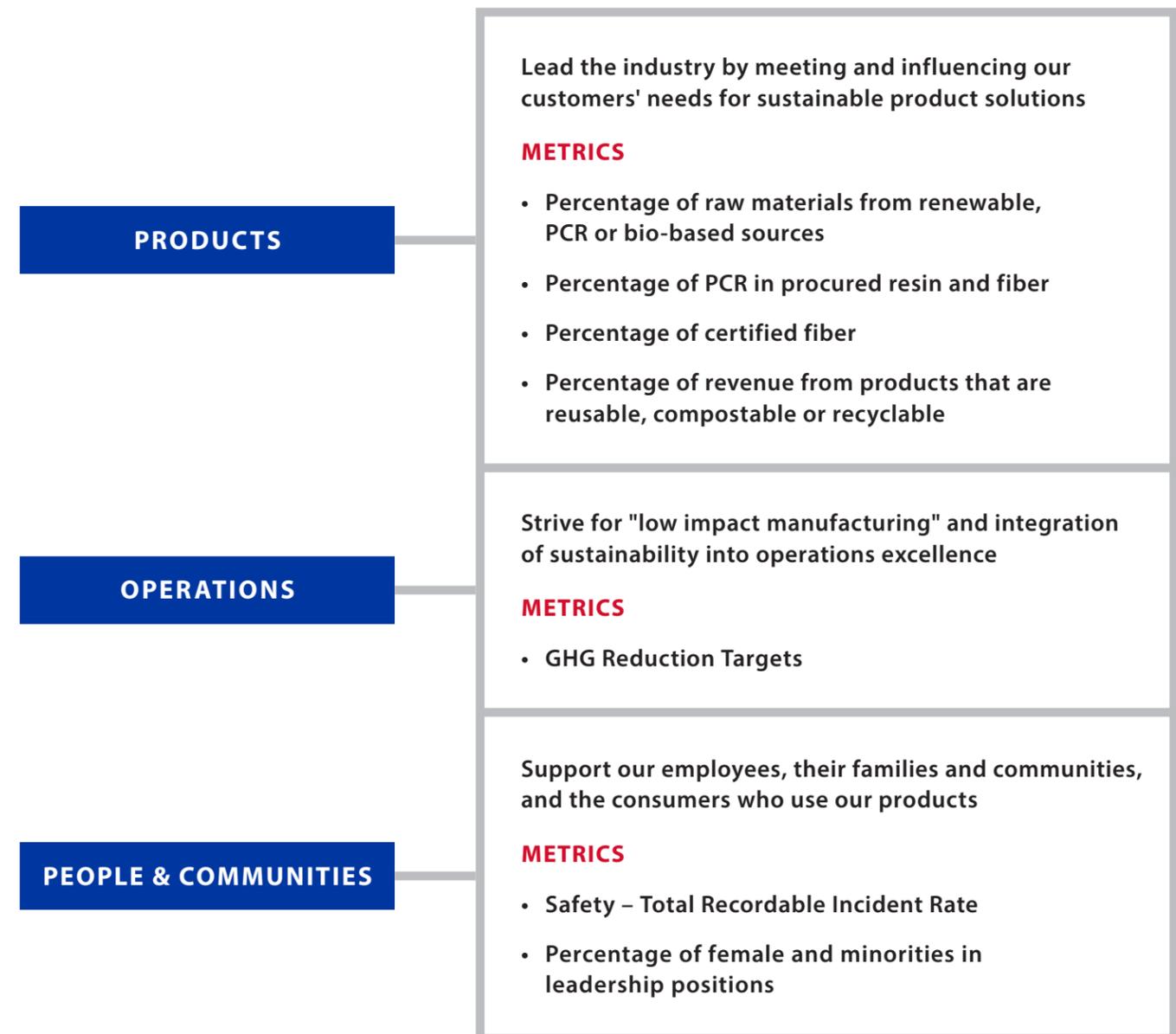
The Novolex sustainability vision is built upon our core business pillars and aligns with our ambitious environmental, social and governance goals. We continue to advance the transparency of our sustainability reporting across each pillar by expanding data collection and developing strategic targets.

The Novolex vision for sustainability is to innovate more sustainable choices for our customers, operate responsibly and invest in our people and communities.



Metrics

In 2020, Novolex identified multiple metrics, or key performance indicators (KPIs), to track our performance and drive success across each sustainability pillar. As demonstrated in the visual below, we now align our reported metrics to each pillar. For the first time in this Report, we include a critical metric in support of Novolex's contribution to circular economy. On page 12, we are publishing a baseline on the end-of-life profile of our products in line with a leading indicator for circular economy—SASB: 410a.2—percentage of revenue from products that are recyclable, compostable or reusable.



Continuing Our Growth

AS OUR BUSINESS prepares to meet the needs of the future, Novolex is advancing our product lines by pursuing growth that aligns with our sustainability priorities. In 2021, Novolex acquired Vegware and Flexo Converters USA, Inc. (Flexo) to expand our compostable product options and production capacity for paper-based products.



Vegware

Vegware is a rapidly growing international provider of compostable foodservice packaging headquartered in Edinburgh, United Kingdom. The company sources renewable, plant-based materials to manufacture cups, cutlery, tableware and takeout packaging designed to compost commercially with food waste. Sold in more than 70 countries, Vegware products are known for their quality, performance and design.

Flexo Converters

Flexo manufactures stock and custom paper bags and sacks, adding to our growing fiber portfolio with a range of recyclable and compostable products that can be made with recycled or certified content. Flexo was headquartered in Meriden, Connecticut, United States (U.S.), where it has manufacturing facilities, in addition to its facilities in Monroe, Georgia, U.S. The Novolex Duro Bag® brand now includes products manufactured at the former Flexo facilities.

Governance

NOVOLEX'S COMMITMENT to sustainability starts with an ambitious sustainability vision at the highest level of corporate governance. The Sustainability and Environment, Health & Safety Committee of the Novolex Board of Directors is comprised of three members, including one independent member of the Board and the Chief Executive Officer. The Committee meets quarterly to oversee the company strategy and performance for environmental, social and governance (ESG) matters, including progress against KPIs aligned with our three sustainability pillars.

Senior Leadership

Novolex's Senior Leadership Team is responsible for developing and implementing all sustainability initiatives. The team discusses relevant topics during standing weekly meetings, comprehensive monthly business reviews and, as needed, throughout our function and business planning and review meetings. A member of the Senior Leadership Team, the Senior Vice President of Corporate Affairs, has oversight of all sustainability projects and goals with the support of a dedicated Sustainability Director.

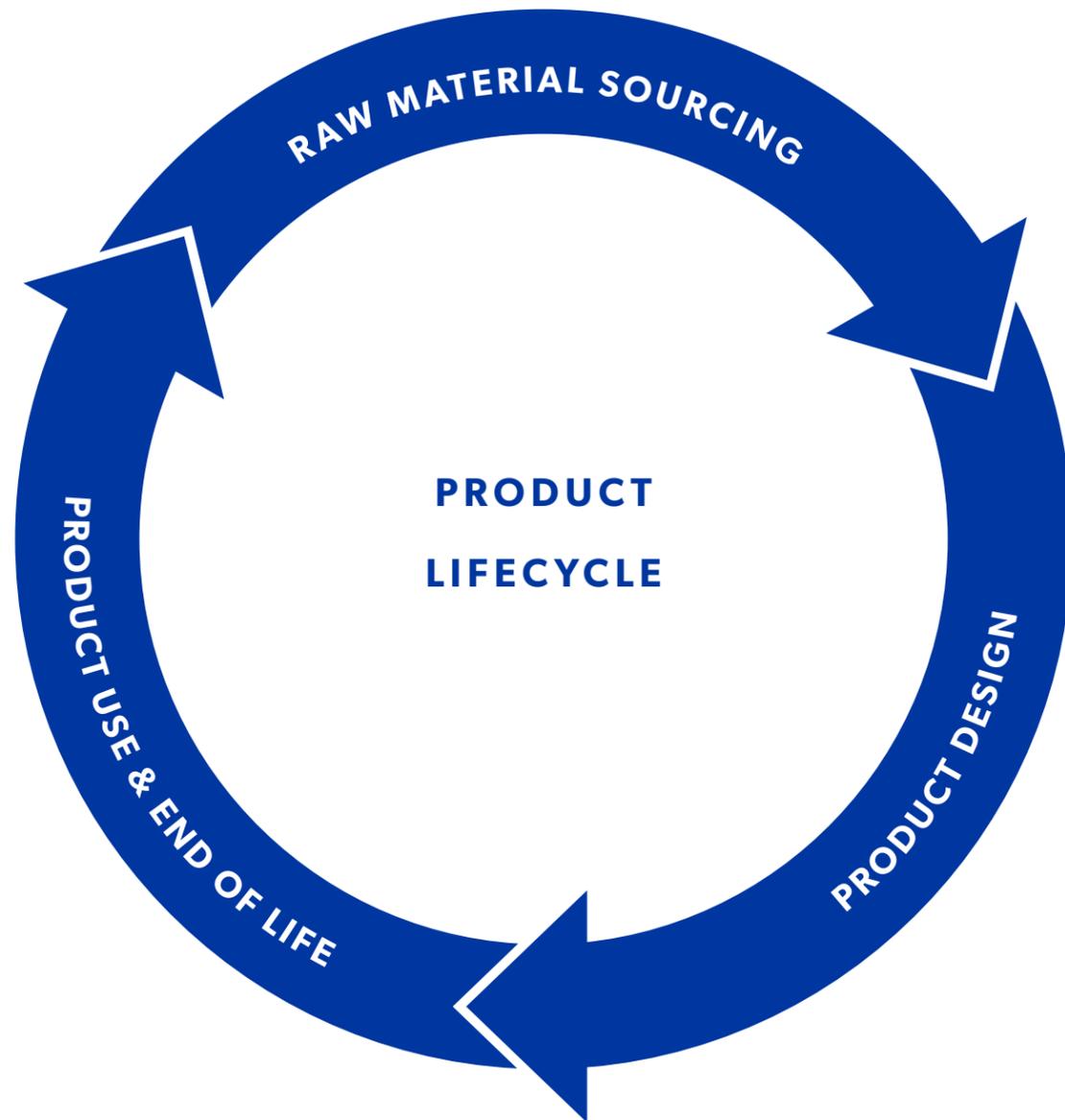
New Partners

Throughout 2021, global investment firm Carlyle was the majority owner of Novolex. In February 2022, Apollo Global Management ("Apollo"), a high-growth alternative asset manager, announced its intent to acquire majority ownership of Novolex and concluded the transaction in April 2022. Carlyle retained a minority interest. Carlyle and Apollo share a strong commitment to undertaking ESG initiatives among their portfolio companies, and we plan to maintain our focus on driving sustainability with the full support of our new partners.

Cybersecurity

THE NOVOLEX CYBERSECURITY PROGRAM is based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). The Chief Information Security Officer is responsible for developing and implementing strategies to secure systems, detect security incidents, respond to cyber breaches and report on progress quarterly to the Audit Committee of the Board of Directors.





OUR PRODUCTS

APPROACH TO PRODUCT DEVELOPMENT

Across the Novolex product portfolio, we take a holistic view of the total lifecycle of our products. In partnership with our customers, we strive to identify raw materials and product designs that offer balance between societal needs, greenhouse gas emissions and product disposal.

When viewed through this lens, each product in our portfolio presents options for driving greater sustainability, regardless of product type or raw material.

The value of these efforts is demonstrated by our capability to provide “best in class” solutions across multiple product categories. We can offer customers solutions that use recycled or renewable content and are designed to be recycled or composted. This approach is good for society and our business.

As the demand for more environmentally preferable products increases, we are well positioned to take advantage of this growth with the diversity of our product offerings today and our capacity to innovate for tomorrow.

Raw Materials

NOVOLEX UTILIZATION of renewable, bio-based and post-consumer recycled (PCR) raw materials all increased in total pounds in 2021. The percentage share of Novolex raw materials from renewable, bio-based or PCR sources decreased slightly, from 49% in 2020 to 48% in 2021. This occurred despite acquisitions of Vegware and Flexo converters, which use primarily renewable and bio-based resin raw materials. The reduction reflects growth in our other business units, such as our resin-based institutional can liner business, which returned to pre-pandemic levels as offices, arenas and other institutions reopened.

48%

OF RAW MATERIALS ARE FROM RENEWABLE, BIO-BASED OR POST-CONSUMER RECYCLED (PCR) SOURCES



Metrics

Metrics provide a transparent way to evaluate the sustainability of the Novolex portfolio. For the fourth year, Novolex is disclosing data on raw materials aligned with Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB) guidance.

- SASB: 410a.1: Percentage of raw materials from (1) recycled content, (2) renewable resources, and (3) renewable and recycled content (Page 9)
- GRI 301-2: Recycled input materials used (Page 10-11)
- SASB 430a.1: Total wood fiber procured, percentage from certified sources (Page 11)

MANY SUSTAINABILITY CONSIDERATIONS START WITH RAW MATERIAL CHOICE. THIS IS THE FIRST OPPORTUNITY TO IMPACT BOTH "UPSTREAM" GREENHOUSE GASES ASSOCIATED WITH PRODUCTION, AS WELL AS DOWNSTREAM DISPOSAL OPTIONS.

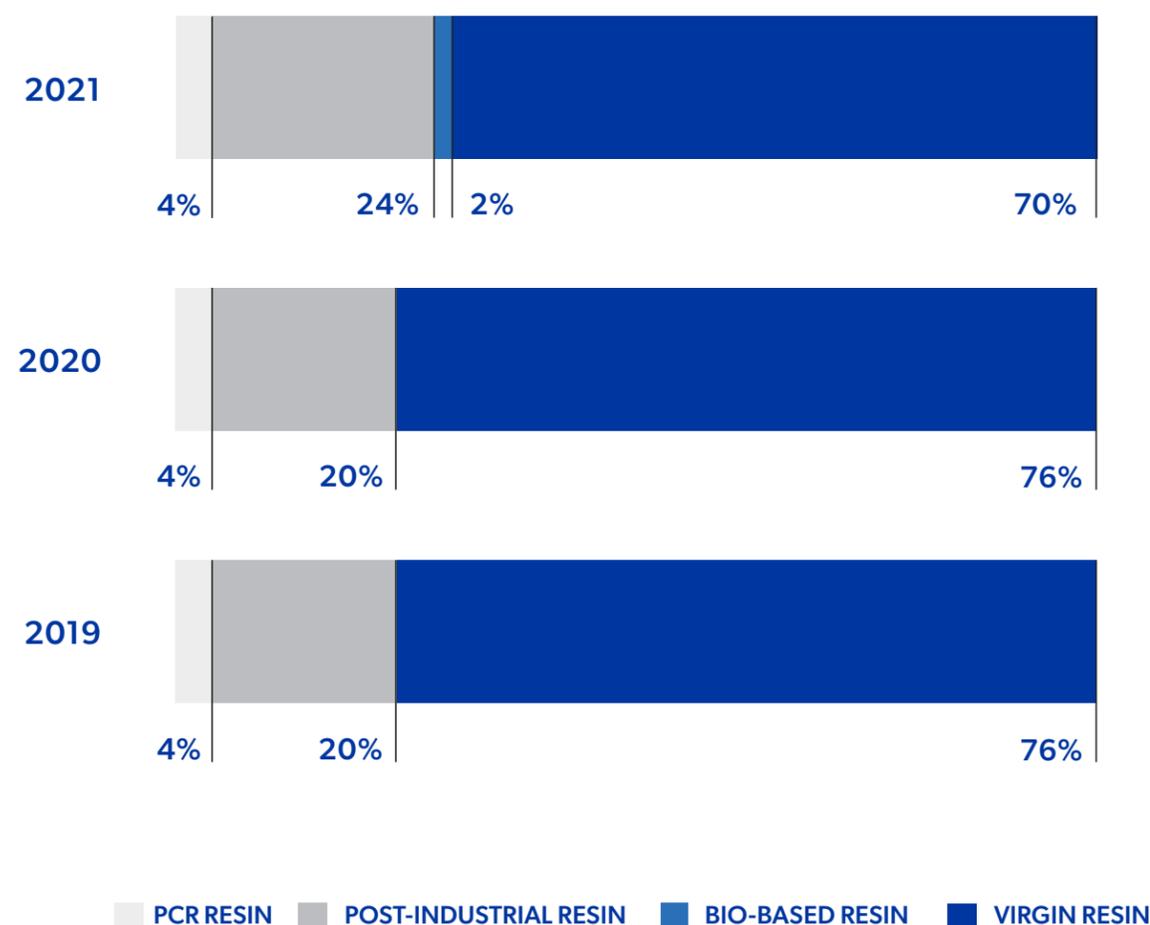


Resin Sourcing

Post-Consumer Recycled (PCR) Content

Total pounds of PCR resin grew in 2021. However, that growth was not enough to change our reported percentage (4%) as a total share of resin sourcing volume. To support growth in utilization of PCR, Novolex is investing millions in additional capacity in our recycling facilities, and also launching new initiatives focused on driving demand for PCR with our customers.

2021 RESIN SOURCING



Bio-Based Resins

Novolex use of bio-based resins grew to 2% in 2021, a figure we are now including in our resin raw materials metric. Bioplastics made from bio-based resins provide the packaging industry and our customers with a renewable and/or compostable material sourcing option that features many of the same performance benefits brought by conventional plastics. Novolex is engaged in testing the limits of these resins as the market demand for bio-based alternatives continues to grow. We can now manufacture hinged containers, cups, can liners and bags from bio-based resins.

Post-Industrial Recycled Resin

Novolex facilities have incentives in place that aim to minimize manufacturing waste through source reduction, reuse and recycling programs. Over the past decade, Novolex has invested in and installed multiple internal recycling lines that capture, reprocess and reuse post-industrial material. As a result, we have made significant progress capturing engineered waste so it can be reused in the manufacturing process and reduce reliance on virgin content.

For our broadest raw material metric (SASB: 410a.1), we treat post-industrial (PI) content as “virgin” content but separate it from virgin content in our resin recycled content metric (GRI 301-2) because it can also include purchases of recycled resin made from post-industrial sources. Additionally, publishing this information helps incentivize recycling in our facilities and represents a positive message for our customers that we focus on reducing reliance on virgin resin.

Fiber Sourcing

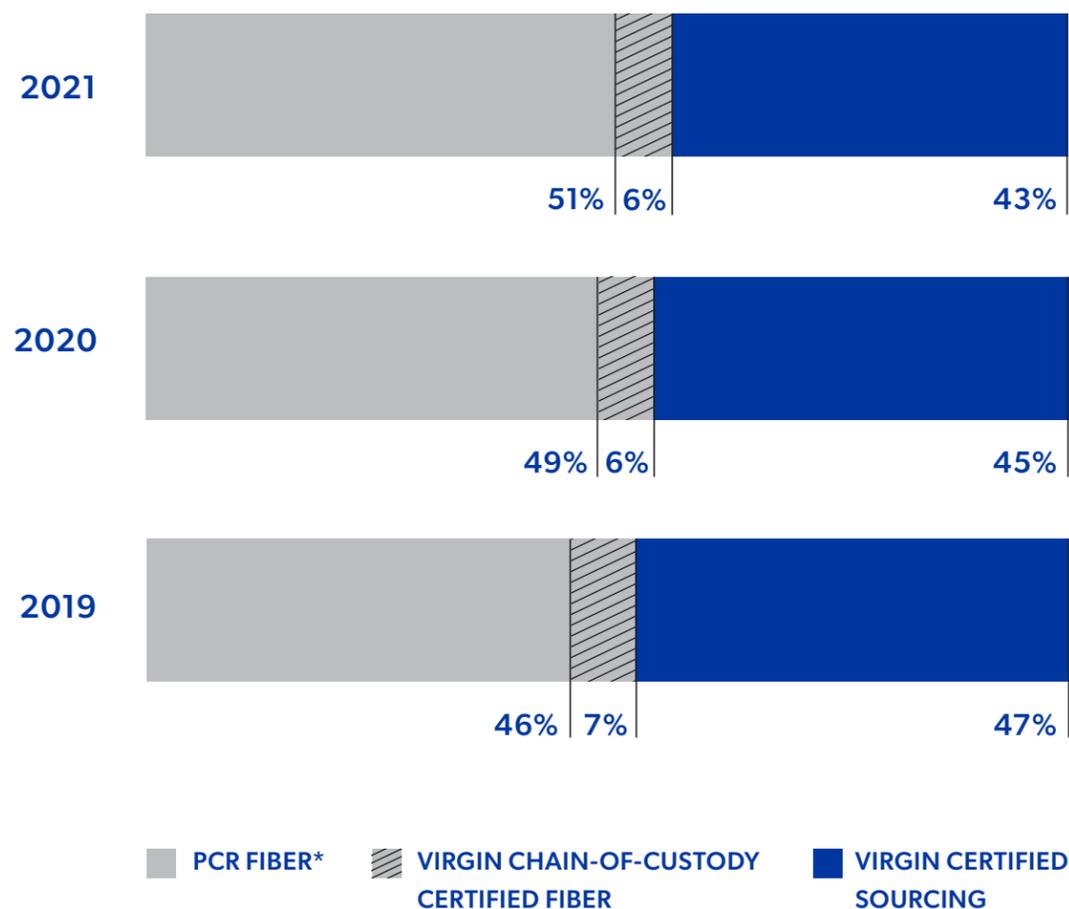
In 2021, the percentage of recycled fiber in our supply chain grew by 2% over 2020, and 5% since 2019. This progress is driven by product innovation as well as acquisitions of fiber-based companies, leveraging our supply chain to increase post-consumer raw material used in these newly acquired facilities. Where the use of virgin fiber is necessary, we focus on procuring Chain-of-Custody certified content traceable to the wood fiber's original source. In 2021, 6% of our total virgin fiber volume was Chain of Custody certified, the same percentage as 2020. Growth in Chain-of-Custody fiber volume was consistent with our overall fiber volume growth. Objective and verifiable certifications differentiate us in the market and prove to our customers and their consumers that we are striving to be best in class.

Molded Fiber

Novolex continues to be at the forefront in use of new raw materials. We are increasing our capabilities to manufacture products from wheat straw fiber and have a range of sugarcane and other molded-fiber based products in our portfolio.

See page 36 for more information about Novolex support for forests through our Focused Giving Program.

2021 FIBER SOURCING



*PCR is from either Chain-of-Custody or Certified Sources. This figure may include 5% or less of non-PCR content.



**UN CLIMATE
CHANGE
CONFERENCE
UK 2021**

IN PARTNERSHIP WITH ITALY

Novolex recognizes that biodiversity and land use is a growing global concern. A key outcome of the 26th United Nations Conference of the Parties climate summit (COP26) was a declaration on forests and land use. The declaration addresses the critical role forests, biodiversity and sustainable land use play in enabling the world to meet its sustainable development goals. Novolex supports responsible forestry practices, and over 99% of paper converted in Novolex manufacturing facilities is purchased from suppliers that are certified to Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) or the Programme for the Endorsement of Forest Certification™ (PEFC™) standards. Additionally, our Eco-Products business is aiming to have beginning-of-life certifications for their top substrates, including sugarcane and bagasse, by 2023.

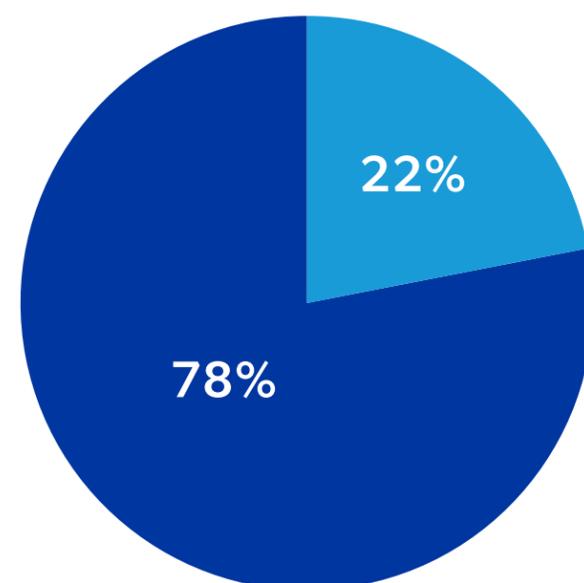
Product Design, Use & End of Life

THIS SECTION PROVIDES a closer look at our portfolio to help readers gain more insight into the performance attributes and end-of-life options for our products, as well as how we are designing products and investing in our capabilities so that more of our products are reused, recycled or composted.

78%

OF APPLICABLE NOVOLEX REVENUES CAME FROM PRODUCTS THAT ARE RECYCLABLE, REUSABLE OR COMPOSTABLE.

REUSABLE, RECYCLABLE OR COMPOSTABLE



■ RECYCLABLE, COMPOSTABLE AND/OR REUSABLE

■ NOT RECYCLABLE, COMPOSTABLE OR REUSABLE

SASB: 410a.2: Percentage of revenue from products that are reusable, recyclable or compostable

This metric considers various definitions of recyclability. For the purposes of this metric, we use How2Recycle® definitions managed by the Sustainable Packaging Coalition (SPC), to classify the recyclability for our products. Those classifications include “Widely Recyclable,” “Check Locally,” “Store Drop Off” and “Not Recyclable,” which draw from the U.S. Federal Trade Commission (FTC) and Canadian Competition Bureau claims guidance. Both agencies emphasize consumer access to recycling facilities as the primary determinant in defining the level of recyclability that can be claimed for products. For products sold in Europe, the availability of collection and processing infrastructure changes the types of products classified as “recyclable” by regulatory agencies in those markets. Compostable or

reusable products included in this metric must have an accompanying third-party certification, or have been tested to verify performance consistent with regulation or accredited industry standards

Our goal in sharing this metric is to provide a transparent view of Novolex foodservice products and a meaningful key performance indicator (KPI) for assessing the disposal options for products. We also expect that sharing this information can continue to enrich the dialogue about recycling and composting and influence constructive change for the industry. Numerous innovation efforts are underway at Novolex to improve this metric in partnership with our customers, and we look forward to sharing our progress in 2022.

Non-Applicable Product Revenues

A share of Novolex products are excluded from the scope of the SASB metric because they do not appropriately classify as “recyclable” or “compostable.” Examples of these products include institutional trash can liners and vapor barrier film used in construction. While these materials are recyclable and are regularly reprocessed as post-industrial recycled content during manufacturing, these products are excluded because they are either intended to be directed to landfill, or are considered durable goods. These products make up approximately 14% of Novolex revenues. The remainder of revenues are captured in the SASB metric.

Product Innovation

Across our resin- and fiber-based products, we have continued to innovate products in partnership with our customers that increase the likelihood an item will be processed and reclaimed in a recycling or composting facility. We partner with, and rely on design guidance from, organizations including the Association of Plastic Recyclers (APR), Plant-Based Products Council (PBPC), Biodegradable Products Institute (BPI), Foodservice Packaging Institute (FPI), and Sustainable Packaging Coalition (SPC) to design our products for greater composting and recycling. We also label products to support education about the types of products that can be recycled or composted, some of which are showcased below.

Life Cycle Analysis

Novolex designs and manufactures many similar products made of different raw materials.

Novolex prides itself on being able to offer choice to customers. To help inform those choices, in 2022 Novolex is expanding the use of life cycle analysis, or "LCA" software, to quantify the benefits or impacts of different raw material and product design decisions.

We aim to use this data to drive demand with customers for more sustainable product choices.

MONOAIR™ Fruit Containers



NOVOLEX NOW MANUFACTURES a mono-material plastic soft-fruit container using the revolutionary MONOAIR™ cushion technology.

The MONOAIR™ cushion base eliminates the need for a separate glued bubble pad at the bottom of the container, while still preventing the fruit bruising in transit. This means that Waddington® Europe's 100% recycled PET punnets are now much easier for consumers to recycle correctly, which helps to promote circularity.

BPI Compostable Sandwich Wraps



OUR GREASE- AND MOISTURE-RESISTANT DRY WAX SHEETS are designed to wrap sandwiches, line baskets and weigh food. The Biodegradable Product Institute's (BPI) certification process verified our new compostable wraps. This process classifies a product "compostable" if there is scientific evidence that the product will break down or become part of stable compost in a safe and timely manner and in a properly managed commercial composting facility.

Expansion of Sip Lids for Souvenir Cups



IN 2021, our Waddington North America business expanded straw-less cup lids from kid's cups to include our larger souvenir cup line. This move, which uses a larger spout designed for adult use on larger cups, will further help reduce the use of straws when they are not needed.

Piranha™ Recyclable Containers



PIRANHA™ is a pioneering mono-material recyclable tray for meat, fish and poultry (MFP) products. Polyethylene layers or adhesives are traditionally needed for MFP products because the tray flange surface can become contaminated by greasy animal fat on the packing line, which can create a barrier between the top and bottom webs and interfere with film lid seal closure. However these adhesives can make recycling the tray more difficult. Instead, Piranha™ is sealed using a series of raised teeth that run around the sealing flange to maintain the seal's integrity. Any greasy contaminant can be wiped away and forced into the channels between the teeth, leaving the peaks clear and clean to contact the PET top web. As a mono-material package, the tray is fully recyclable. Piranha can also be made with up to 100% recycled PET and is compliant with the UK plastics tax which imposes a tax on plastic packaging with less than 30% recycled content.

Retail Bags made with PCR



NOVOLEX HAS CONTINUED to expand the number of products that contribute to circular use of flexible polyethylene. In partnership with customers, we are aiming to engineer thin-gauge products with increasingly higher percentages of PCR. We can now offer plastic retail bags of different thicknesses that contain up to 40% PCR.

Vanguard® Sugarcane Plates and Containers



NOVOLEX EXPANDED VANGUARD TECHNOLOGY to other products, including our WorldView™ line of to-go bowls and containers. Made from plant-based sugarcane fiber and certified as compostable, the two-piece compostable take-out containers are perfect for restaurants, supermarkets, convenience stores and snack bars seeking environmentally preferable options.



Eco-Products, a division of Novolex, is the first manufacturer to receive GreenScreen certification for a product in the foodservice ware category.

Vanguard recently earned the coveted GreenScreen Certified™ Silver designation for avoiding the use of PFAS and other chemicals of high concern. GreenScreen is a globally recognized certification body that assesses and benchmarks chemicals based on hazard.

Novolex and How2Recycle®

As part of our commitment to consumer education, Novolex uses the How2Recycle® and How2Compost® labels on stock products and works with customers to encourage their use on branded items. We can support you in this process!

Below, learn more about the right way to label products for consumer education.



How2Recycle® is a standardized labeling system that clearly communicates recycling instructions to the public. When applicable, it includes instructions on how to properly clean a product before recycling.



How2Compost™ labels inform consumers if a product is compostable in commercial composting facilities. The label is available to use on packages that have gone through the Biodegradable Product Institute's (BPI) certification process.

BPI certification is open to products that meet the requirements in ASTM D6400 or D6868 based on testing in a BPI-approved laboratory.



Made in U.S.A.



SPECIAL INSTRUCTIONS
Tells consumer how to prepare component for recycling.

PACKAGING TYPE
Identifies the material and packaging type.



RECYCLABILITY QUALIFIER
Indicates how the package can be recycled. "Store Drop Off" and "Check Locally" are examples of claims that qualify the level of recycling available for a product.

BPI CERTIFIED LOGO
This icon means that the item has been certified as compostable by BPI.



COMPOSTING QUALIFIER
Qualifies how and where the packaging can be composted.

*Not in backyard; Composting programs for this cup may not exist in your area.

Partnerships, Policy and Engagement

AS A LEADER in the circular economy in the packaging industry, Novolex recognizes there is an opportunity to improve and expand access to recycling and composting facilities. In addition to focused innovation and design, supporting end-of-life solutions for products requires a coordinated effort that includes industry associations and policymakers. Novolex is active both inside and outside the packaging and foodservice product industry to influence productive change. We prioritize partnerships among a variety of stakeholders, including civic and community leaders, non-governmental organizations (NGOs) and others to give solutions a voice and lend our technical experience as a manufacturer and recycler.

Our communities need sustainable funding, infrastructure development and coordinated policy to support large-scale, economically viable recycling and composting solutions. This is the reason we support well-crafted extended producer responsibility (EPR) programs. To measure Novolex progress, in 2021 we established baseline data for products that meet industry and government definitions for “recyclable,” “compostable” and “reusable.”



Composting & CMA

Commercial composting is a vital infrastructure resource for several of our brands that source or make compostable products. Commercial composting experienced modest, yet continued growth in 2021. At Novolex, we have a growing portfolio of compostable products and seek to address composter challenges head on by working with key industry groups like the US Composting Council, the Biodegradable Products Institute, the Compost Manufacturing Alliance, among others, to better understand these challenges and find creative and collaborative solutions.

We work with the CMA to expand testing and testing sites. We also recognize that “certified compostable” in a lab does not always translate to what compost manufacturers are seeing break down. Recognizing the need to ensure that the compost manufacturers we work with can see adequate degradation from our products, we work with CMA to field test our products for degradation in actual compost piles and in various types of composting facilities. We are proud of the progress we’ve made working with CMA, and we look forward to receiving CMA’s approval on additional product types in the near future.



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Novolex continues to advocate for recycling and composting infrastructure development, including well-crafted Extended Producer Responsibility (EPR) initiatives that will further build the circular economy around the world.

PHIL ROZENSKI, *Vice President Public Affairs*

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OPERATIONS

AT NOVOLEX, WE TAKE PRIDE IN REDUCING OUR IMPACT ON THE ENVIRONMENT ACROSS OUR MANUFACTURING OPERATIONS.

Over the past few years, we have focused on raising the environmental awareness of all our employees and creating a culture that drives performance improvements to reduce our environmental footprint. We measure and assess progress through an increasing number of operational KPIs focused on using recycled content, energy efficiency and emissions, and reducing the amount of waste sent to landfills.

Novolex Greenhouse Gas Reduction Target

ENVIRONMENTAL AND SUSTAINABILITY PROGRAMS at Novolex are integral to lowering our greenhouse gas (GHG) emissions. We recognize that Novolex can contribute to the global effort to reduce climate change impacts, such as increasing global temperatures, rising sea levels and severe weather events. We have made significant progress against our first time bound GHG emissions reduction target—20% emissions reduction per ton of production by 2025.

We have met our initial target, achieving a 20% reduction in GHG emissions per ton of production in 2021. Several factors drove this progress, including investing in efficiency improvements and purchasing renewable energy. In addition, some of our progress results from global efforts to transition to renewable energy sources. As a result of this success, in 2022 we launched a more ambitious 2030 GHG emissions target to reduce emissions by 30% against the same 2019 baseline used for the 2025 target. This

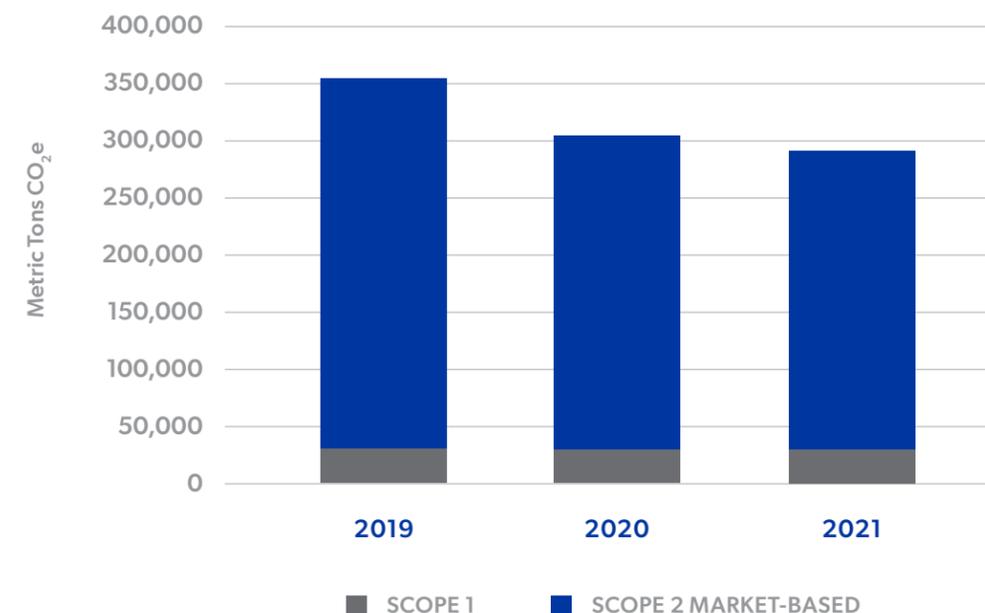
longer-term target also covers Scope 1 and Scope 2 emissions resulting from purchased energy and natural gas use in Novolex facilities. Importantly, our GHG reduction goals align with many of our customers' GHG emissions targets. A number of customers want to partner with suppliers who share their GHG and broader sustainability goals, and some customers specifically track their suppliers' Scope 1 and 2 emissions in order to determine their own Scope 3 emissions.

30% by 2030

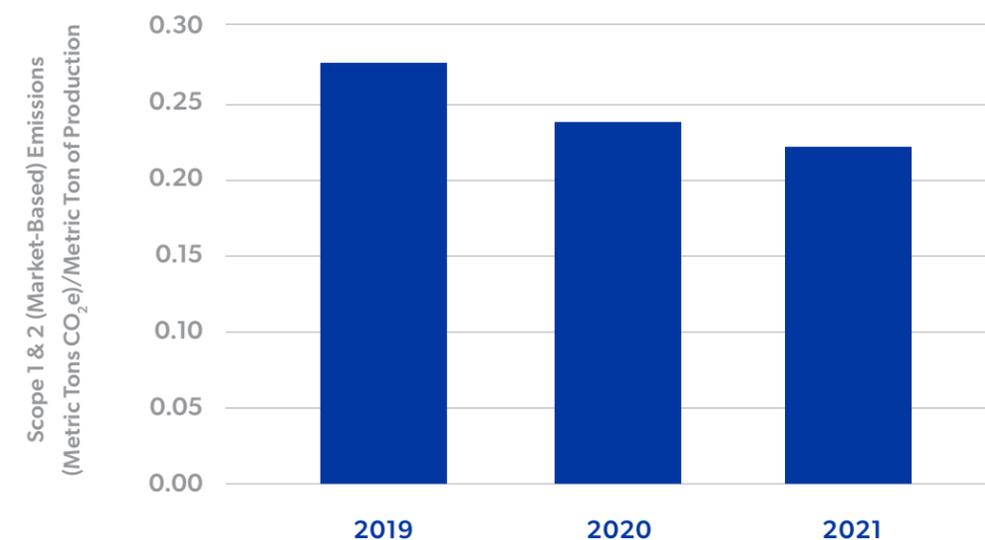
ACROSS OUR GLOBAL OPERATIONS, NOVOLEX WILL REDUCE GREENHOUSE GAS EMISSIONS BY 30% PER TON OF PRODUCTION BY 2030.

In 2022, Novolex secured sustainability-linked financing associated with our GHG reduction targets in connection with our acquisition by Apollo. At the time, the \$4.68 billion combined value of term loans and bonds amounted to the largest such financing in the U.S. The transaction recognized the value placed by the investment community on sustainability goals and the long-term commitment by Novolex to achieve them.

SCOPE 1 & 2 GHG EMISSIONS



GHG EMISSIONS INTENSITY



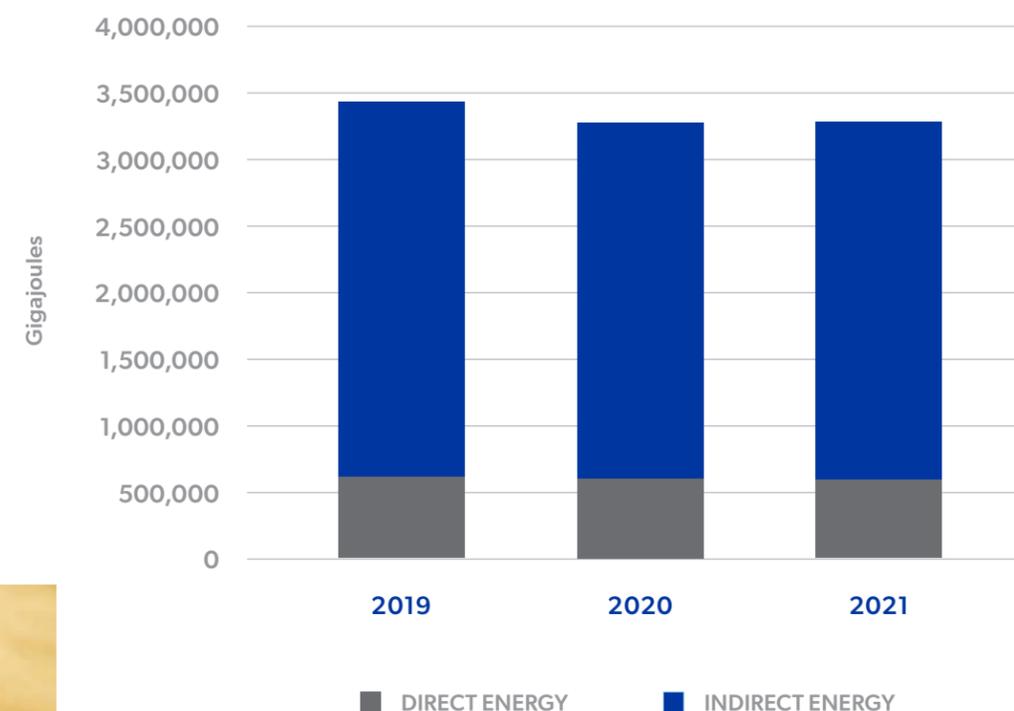
Energy and Emissions

ENERGY USE IS A SIGNIFICANT DRIVER OF EMISSIONS at our manufacturing facilities. The majority of our energy use is from natural gas and electricity.

We are proud of our early progress in reducing emissions intensity and will continue to use renewable energy credits, power purchase agreements and investments in more efficient equipment in our manufacturing facilities, to achieve our targets. As we have grown through acquisitions, we continue to prioritize upgrading the lighting fixtures and other equipment in our facilities. We retrofitted over half of our facilities with LED lights across our North America and Europe facilities, which has resulted in reductions in our energy use and associated GHG emissions. We are working hard to continuously explore and invest in energy efficiency measures and other initiatives to achieve our 2030 target.



TOTAL ENERGY CONSUMPTION



NOVOLEX CONTINUES TO EVALUATE OUR PATH TOWARDS A COMPREHENSIVE CARBON REDUCTION TARGET THAT CONSIDERS OUR ENTIRE VALUE CHAIN.

Expanding Use of Recycled Plastic

A PRIORITY AREA for our operations is increasing our reclamation capacity of post-industrial (PI) and post-consumer waste (PCW) to use in our products throughout Europe and North America. At our Arklow, Ireland, production site, we use the resin produced by Shabra Plastics, a post-consumer waste recycler and reprocessor, to manufacture food packaging products. The agreement helps to further secure Waddington Europe's long-term source of rPET while also enabling the company to expand its line of Eco Blend® products made with post-consumer recycled content sourced domestically in Ireland back into the Irish market.

For the second consecutive year, Novolex is also investing in capacity to recycle store drop-off films and PI waste at our North Vernon, Indiana, recycling facility. These efforts are in support of greater circularity of polyethylene (PE) film products, which requires advanced processing equipment to successfully process a broader range of material.

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By keeping Irish plastic packaging waste in an Irish recycling system, we are confident that we can offer forward-thinking customers like Waddington Europe long-term savings, less reliance on foreign external suppliers, a positive public perception and increased customer loyalty. On a macro level, the localized economic model can increase jobs and innovation, the security of raw material supply as well as reduce damaging pressures on the environment.

RITA SHAH, CEO of Shabra Plastics

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SUSTAINABILITY TERMINOLOGY

In Europe, it's common to use "post-consumer waste," or "PCW," to refer to materials diverted from the waste stream for recycling. This term is used interchangeably with "post-consumer recycled," or "PCR content," in some sections of our report.



SUPPORTING STORE DROP-OFF

Novolex provides recycling bins to retailers as part of our broader product lifecycle efforts. For years, Novolex has partnered with local retailers and grocers across the nation to install drop-off sites for plastic bags and other films recyclable through "store drop-off" programs. We also purchase these films and process them in our North Vernon, Indiana, recycling facility.

Collect and Recycle your PE films!
Find a drop-off location near you at [bagandfilmrecycling.org](https://www.bagandfilmrecycling.org)

Building Bio-Based Manufacturing Capacity

ONE WAY WE ARE USING MORE BIO-BASED RESINS is by expanding the manufacturing capacity for products made with polylactic acid (PLA), a plastics polymer derived from starch-based plants such as corn, sugarcane and wheat straw. After use, products made with PLA are compostable in commercial composting facilities. Novolex can manufacture bio-based resins in both rigid and flexible applications. As of June 2021, we increased our production of our Eco-Products brand PLA-based cold beverage cups at the Novolex manufacturing complex in Chattanooga, Tennessee.

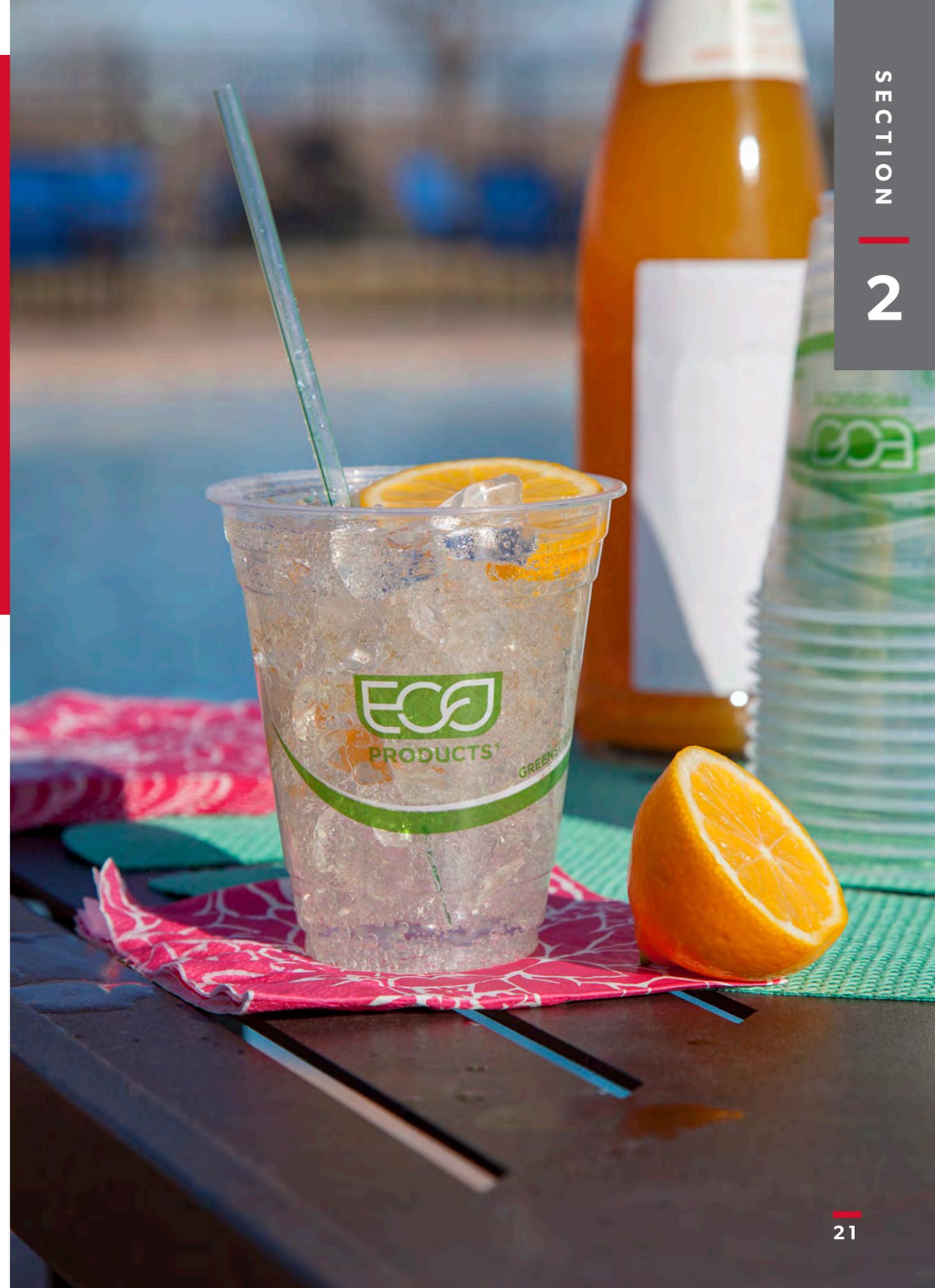


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Expanding our in-house manufacturing capacity represents one more step towards an even more sustainable supply chain for our PLA products. These efforts are all part of our broader commitment to be a best-in-class zero waste solutions provider for our customers.

IAN JACOBSON, *President of Eco-Products*

”



Air, Waste and Water



IN ADDITION to our 2030 GHG reduction target, we are advancing our environmental monitoring and data collection efforts across our operations. Managing the processes and materials throughout our operations is critical to reducing air emissions, waste generation and water consumption. Our Director of Environmental Compliance oversees operational impacts across our diverse portfolio. Working with our local environmental, health and safety (EHS) managers, we identify air, waste and water impacts specific to each of our facilities and develop action plans to mitigate environmental impacts.

AS NOVOLEX GROWS, WE ARE PRIORITIZING EFFORTS TO BETTER UNDERSTAND AND QUANTIFY OUR OPERATIONAL ENVIRONMENTAL IMPACTS.

In 2021, we made significant progress toward developing a companywide waste-to-landfill metric. See the “Waste” section on page 24 for more information.

These efforts demonstrate that we are committed to continuing our progress toward establishing best practices in data collection, monitoring and reporting of environmental impacts across the business.



Air Emissions

Our environmental management systems track Novolex air emissions permits, including those applicable to volatile organic compounds (VOCs), nitrogen oxides (NO_x) and sulfur oxides (SO_x). Annual internal audits ensure the proper implementation of our environmental management systems.

Novolex's air emissions vary based on the processes at our manufacturing facilities. VOC emissions are commonly generated from the use of inks for printing on our products, while NO_x and SO_x emissions are produced from the consumption of natural gas for operations. These efforts, which complement efforts to achieve our 2030 GHG emissions target, are part of overall efforts to reduce our energy consumption across our operations and invest in state-of-the-art emissions control technology.

In 2021, our NO_x, SO_x and VOC emissions all grew slightly, driven by a growth in natural gas consumption across our portfolio as well as better data collection systems that more fully capture air emissions from extrusion. We understand the importance of transparently reporting our air emissions and finding ways to reduce emissions.

AIR EMISSIONS (METRIC TONS)

NO _x	25	24	26
SO _x	0.15	0.14	0.16
VOC	586	608	623
	2019	2020	2021

“



RTO technology has a high emissions removal efficiency and a long shelf life, reducing the cost and waste associated with frequently replacing alternative emissions control units. The RTO is nearly self-sustaining. Once the RTO is powered up to its operating temperature with natural gas combustion, the equipment can run almost entirely off of the combustion resulting from burning off the captured VOCs. As a result of projected reductions of natural gas usage, the facility has already benefited from rebates from our energy provider. Novolex will continue to find opportunities, similar to RTO technology, to reduce our impact on the environment.

TANIA REYNOLDS, *Environmental Manager*

”

Regenerative Thermal Oxidizers

Our Shields® division is one of the leading North American producers of flexible packaging with expertise in specialty printing, blown-film extrusion and custom bag production. The solvents used for printing commonly produce VOC emissions, which we manage using emissions control technologies. As part of our initiatives to reduce VOC emissions, Novolex installed a second regenerative thermal oxidizer (RTO) at the Shields® facility in Yakima, Washington, adding to the two RTOs at Novolex facilities in Montreal, Canada, and Coldwell, Ohio. The new installation represents a more than \$2 million investment in our ongoing emissions reduction efforts.

Waste

Managing our processes and materials used in our operations is critical to reducing waste at our sites. We have a history of post-industrial waste recycling and management, with a strong track record of programs in this area. We also generate both non-hazardous and hazardous waste from our operations. Novolex is committed to meeting compliance regulations across our operations. As these regulations differ by jurisdiction, we rely on each site to monitor and track waste generation as well as implement measures to reduce waste. We recognize the importance of improving our data management systems for waste data, and are putting in place even more robust programs to reduce waste.

Waste-to-Landfill Initiative

Currently, Novolex is establishing a companywide waste-to-landfill metric to allow for more complete tracking of our various waste streams. In support of this effort, we now have partnerships in place with Roadrunner Recycling and Northstar Paper & Pulp Company (now owned by Casella Waste Services) to help track the amount of waste we send to landfills and how many pounds of recyclable waste we are diverting from landfills. RoadRunner will be a critical partner in tracking and improving how we manage our various waste streams and establish benchmarks, enabling us to deliver on key sustainability goals. As we work toward establishing this metric, RoadRunner is working closely with each manufacturing site to collect waste baseline data. With this information, we will understand how Novolex can increase the amount of waste diverted from landfills at each facility. With these partnerships in place, we look forward to sharing our companywide waste-to-landfill baseline and what we are doing to reduce it in our 2022 Sustainability Report.

ABOUT ROADRUNNER	ABOUT CASELLA WASTE SYSTEMS
<p>RoadRunner Recycling is on a mission to elevate recycling in a world dominated by waste. The company provides custom recycling and waste solutions engineered to improve waste stream management across the U.S., serving thousands of commercial businesses in more than 20 industries.</p>	<p>Casella Waste Systems helps customers achieve their waste and recycling goals by delivering innovative solutions and creating strong partnerships with the businesses, organizations and communities we serve.</p>



“

In my role I'm responsible for waste disposal and recycling services at over 20 of our paper manufacturing facilities. We now have our waste management partners Northstar Paper & Pulp Company (now owned by Casella Waste Systems) and Roadrunner working together, which prepares us to track and reduce waste-to-landfill across all North American facilities. I'm excited to be part of this companywide effort.

CHRISTIE FILLHARDT,
Supplier and Regulatory Compliance Manager

”

NOVOLEX IS SERIOUS ABOUT REDUCING WASTE

WE ARE PARTNERING WITH ROADRUNNER TO ESTABLISH A COMPANYWIDE WASTE-TO-LANDFILL METRIC TO IMPROVE HOW WE MANAGE OUR WASTE STREAMS.

GET INVOLVED!



Reduce unnecessary materials from entering your office or workspace. Stop printing digital files if you don't need hard copies.

Choose to use reusable products such as coffee cups, water bottles, and silverware to reduce your daily waste.



RECYCLE AND KEEP MATERIALS AWAY FROM LANDFILLS. SEPARATE THE TRASH ACCORDING TO THE KINDS OF RAW MATERIALS.



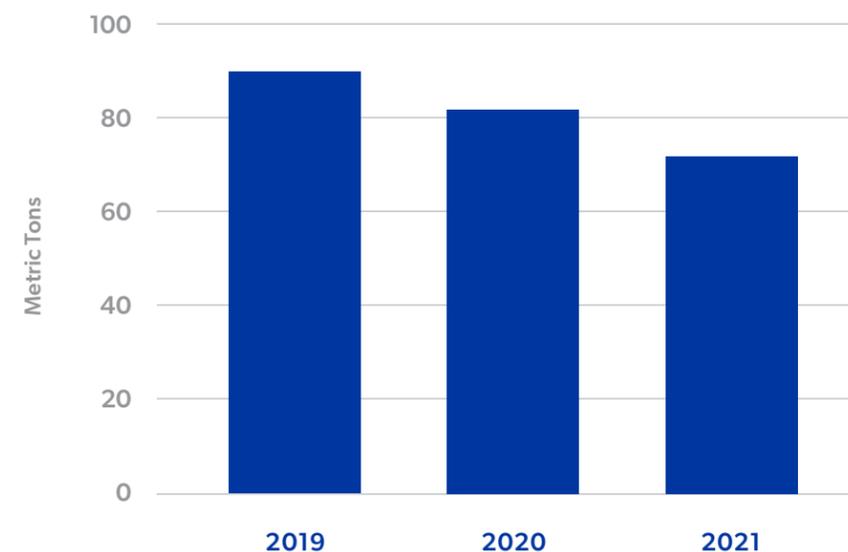


For the second consecutive year, Waddington Europe was awarded Zero Waste to Landfill status. This certification indicates that a minimum of 99% of the site’s generated waste is diverted from landfills and either reused, recycled, composted or converted to energy. Valpak, the official third-party auditor accredited to evaluate facility compliance with the Zero Waste to Landfill criteria, awarded Waddington Europe the certification after a rigorous auditing process.

Hazardous Waste Management

Properly tracking and managing hazardous waste from Novolex operations mitigates environmental impacts, promotes safe operations and protects human health. Our companywide waste reporting effort includes hazardous waste generation from our facilities where waste tracking and management are required, mainly due to the quantity generated by these facilities and regulations. We continue to partner with newly acquired facilities to implement various hazardous waste reduction initiatives, such as solvent capture and reuse. As we develop our broader waste-to-landfill metric, we are advancing the collection and reporting of our hazardous waste baseline data to report on our hazardous waste management companywide.

HAZARDOUS WASTE



Water

While water represents a relatively small portion of our overall environmental impact, we seek opportunities to reduce water consumption and improve water quality. Across Novolex manufacturing facilities, we understand that our two recycling facilities and injection molding operations are more water-intensive operations. We do not classify water as a Tier 1 Material Topic and, therefore, do not report on total water withdrawal and consumption at all Novolex manufacturing sites. Still, we are working to understand our water use and identify initiatives for water-intensive facilities. For example, we have invested in improving the wastewater quality at our North Vernon, Indiana, recycling center and overhauled the water processing system used for injection molding in our Chelmsford, Massachusetts, facility. Our environmental operations team continues to look for water stewardship opportunities and production efficiencies across Novolex facilities.



For more than 25 years the plastics industry has promoted Operation Clean Sweep (OCS), a campaign dedicated to helping every plastic resin handling operation achieve zero plastic resin loss. These efforts include actions such as installing filters on facility's external drains to prevent plastic pellets from entering the water system.

All Novolex sites that use resin pellets follow Operation Clean Sweep principles to monitor, manage and eliminate pellet loss into the environment. In recognition of our commitment to these activities, in 2022 Novolex joined Operation Clean Sweep (OCS) Blue—an enhanced program that provides transparency and accountability via enhanced management, measurement and reporting of uncovered resin releases into the environment.

To further eliminate pellet loss, effective 2022 all Novolex facilities that handle resin will implement the enhanced training programs, regular audits and inspections as part of our participation in Operation Clean Sweep Blue.

Food and Product Safety

TO MEET THE REQUIREMENTS of our diverse customer base, our commitment to food and product safety starts at the highest levels of leadership and resonates throughout the organization. Our customers expect our products to meet stringent globally recognized standards required of all materials that come into contact with food. With a vision of safe food for consumers everywhere, 2,000 food industry leaders created The Global Food Safety Initiative (GFSI) to reduce food safety risks and build trust throughout the supply chain. GFSI drives continuous improvement in food safety management systems around the world. For more information about food and product safety at Novolex, see our Food Safety webpage.



35

NOVOLEX FACILITIES ARE
CERTIFIED TO STANDARDS
RECOGNIZED BY THE GLOBAL
FOOD SAFETY INITIATIVE

A woman with dark hair, wearing a white hairnet, safety glasses, and a blue lab coat, is looking directly at the camera. She is in a laboratory setting with various pieces of equipment and containers visible in the background. The text 'PEOPLE and COMMUNITIES' is overlaid on the bottom left of the image.

PEOPLE *and* COMMUNITIES

INVESTING IN OUR PEOPLE AND COMMUNITIES IS AT THE CORE OF NOVOLEX VALUES.

The safety and well-being of our people remains a top priority. We embrace diverse workplace culture at Novolex and strive to make all employees feel respected and supported. We understand that our impact extends beyond our four walls, which is why we work to strengthen the communities in which we live and work. As the challenges of the pandemic continued throughout 2021, we supported our people and communities through enhanced safety measures, virtual collaboration tools, a companywide diversity and inclusion program and strategic corporate giving efforts.

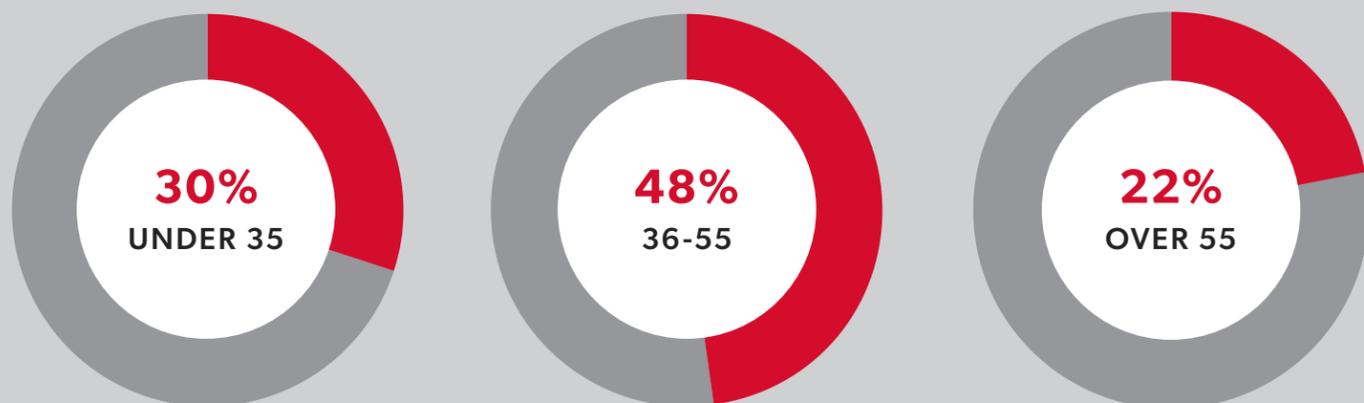
Novolex Family Members by the Numbers

IN 57 MANUFACTURING FACILITIES and additional administrative offices, Novolex employees—our Novolex Family—draw from a cross section of their communities. We are proud of the diversity of our workforce today. Yet we know we must continue to look for opportunities to find and recruit an even wider profile of individuals and offer an inclusive work setting for them.

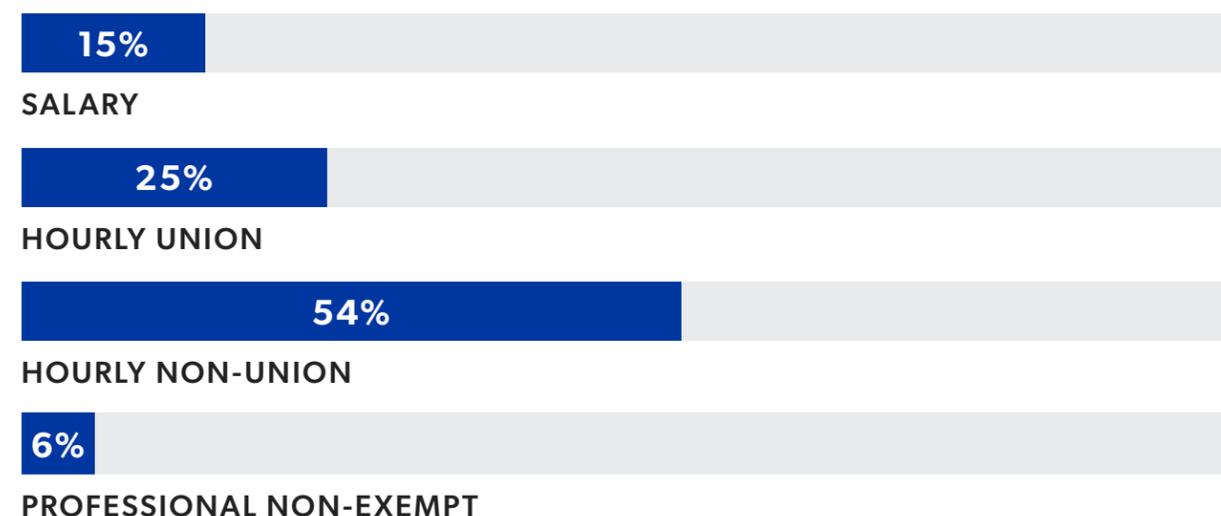
MALE / FEMALE EMPLOYEE COMPOSITION



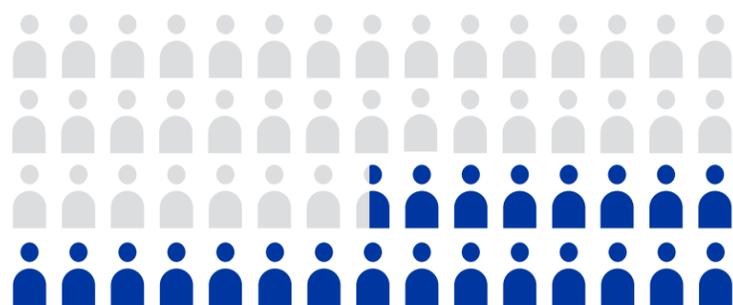
EMPLOYEE AGE - DATA



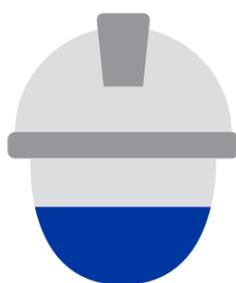
EMPLOYEE CATEGORIES—ALL NOVOLEX



IN 2021, WOMEN OR PEOPLE OF COLOR MADE UP

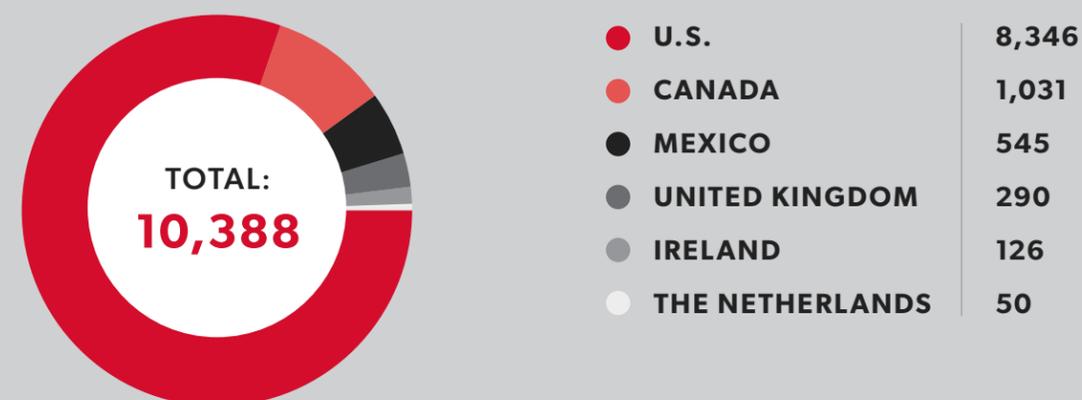


38% OF OUR TOP 60 LEADERS



30% OF OUR PLANT MANAGERS

TOTAL EMPLOYEE COUNT BY COUNTRY



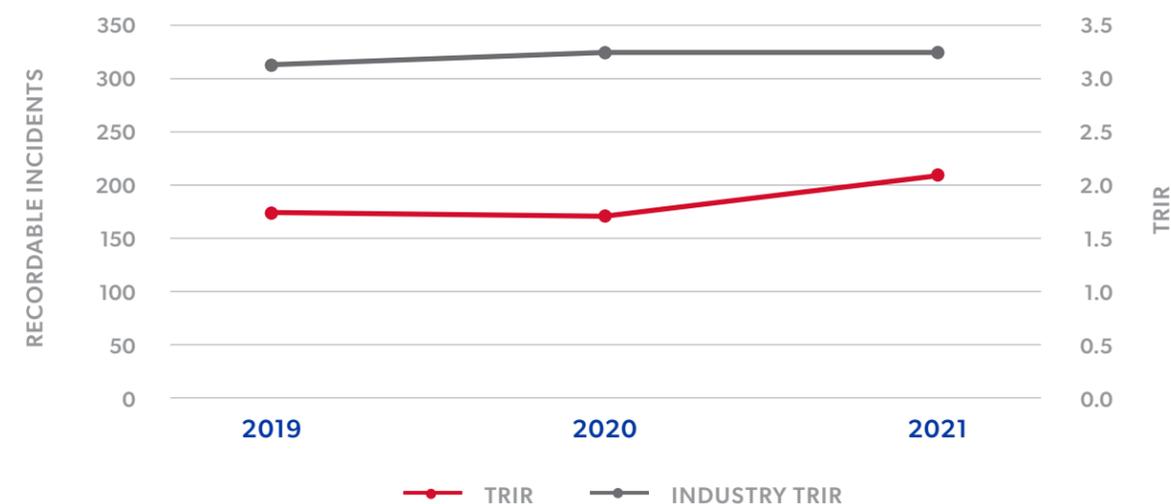
Health and Safety

OUR MOST VALUABLE ASSET is our employees, and their safety is our top priority. Our employees expect and deserve safe work environments across all Novolex production facilities and offices. We are committed to delivering on this promise, year over year, by maintaining industry-leading workplace safety policies and programs and striving to continuously improve our safety performance across the company.

The Sustainability and Environment, Health & Safety subcommittee of the Board of Directors receives quarterly updates on safety performance and monitors the progress of safety programs. Throughout 2021, we continued all of the enhanced safety measures that Novolex initiated at the start of the COVID-19 pandemic. Our facilities completed the front-line leadership training that we launched in 2020, which served to develop additional training programs during 2021 and beyond.

As a result of the COVID-19 pandemic, we experienced higher staff turnover rates than usual, which contributed to a decline in our safety performance. While our safety numbers remained below the industry average total recordable incident rate (TRIR), as determined by the Occupational Safety and Health Administration guidelines, we experienced an increase in safety incidents in 2021. Having less experienced staff on the plant floor made it challenging to maintain a high level of knowledge of our safety policies and procedures.

NOVOLEX TOTAL RECORDABLE INCIDENT RATE (TRIR) VS. INDUSTRY AVERAGE



We believe our companywide safety improvement plan will help us return to the continuous, positive safety trend we have reported for the last several years.

“

Maintaining a regular dialogue across the business supported our ability to share learnings in real time. We pride ourselves on keeping our people safe and being responsive, equipping the business to stay nimble in the face of challenges. I'm extremely proud of the way our plant leaders and their teams came together in 2021. It made a real difference, keeping our people safe and our business moving.

CORY WIEDRICH, *Vice President of Human Resources*

”

In 2021, we launched a companywide safety improvement program to empower safety ownership at the plant level. The proactive improvement plan includes various elements to engage employees interactively, such as:

- **Enhanced hazard and risk assessments**
- **Peer-on-peer observation exercises**
- **Ergonomic assessments**

In addition, we engaged employees through a safety challenge focused on hazard identification and abatement. Participants shared hazard identifications in their facilities and provided solutions to minimize the hazard and maintain a safe work environment. We received almost 150 entries and awarded five employees. The overwhelming employee participation speaks to Novolex's strong safety culture.

Supporting and Keeping Our People Safe During the COVID-19 Pandemic

Throughout 2021, Novolex continued the measures we adopted in 2020 to minimize employee risk of exposure to COVID-19. Our procedures included mandatory mask wearing, social distancing, temperature checks, and contact tracing following the report of a positive COVID-19 test. We also restricted travel and visitor policies to further reduce the risk of exposure. We encouraged remote working, where feasible, and provided laptops for employees who previously used desktop equipment. All Novolex policies and procedures are codified in our COVID-19 Handbook, which is available to every employee.

Communicating During the Pandemic

While restricting travel, the pandemic placed a premium on alternative means of engagement and collaboration. The COVID-19 Council oversees on-going company responses to the pandemic. The council is comprised of senior executives from Human Resources, Legal and Communications functions.

Our Chairman and CEO continued bi-weekly all-company videos to share updates on company efforts to keep everyone safe. These bi-weekly videos evolved to providing updates on company news regarding product advancements and accomplishments, and included guest presenters. In addition, we held weekly calls with all plant managers and Human Resource teams to communicate the latest company initiatives to address the pandemic and answer questions.

Customer Engagement

Outreach to customers and suppliers remained vital throughout the year. We provided customers with updates on production and our ability to meet their needs. This level of communication was critical given consumers' rapidly changing purchasing behaviors. As consumers' interest in food hygiene and safety increased, we responded to a rise in e-commerce and carry-out operations among restaurant and grocery customers.



Ethics, Integrity and Human Rights

NOVOLEX UNDERSTANDS that our reputation rests on the conduct of every member of the Novolex family, from our employees to those we choose as business partners. We hold our employees and business partners to the highest ethical standards and weave this expectation through the fabric of our culture and everyday communications.

Employee Code of Conduct

In 2021, Novolex updated our Employee Code of Conduct that embodies our company values and provides a foundation for our ethical standards. Along with company policies, the Code serves as our employees' guide to conducting business with integrity. All Novolex employees must adhere to the Code and are required to acknowledge the Code and the Novolex Employee Handbook upon new-hire orientation. In addition, the Novolex Ethics Helpline is an independent ethics and compliance resource for employees to report potential violations of the Code without fear of retribution.



International Women's Day
March 8, 2021



#ChooseToChallenge
#IWD2021

IN 2021 NOVOLEX UPDATED OUR EMPLOYEE CODE OF CONDUCT THAT EMBODIES OUR COMPANY VALUES AND PROVIDES A FOUNDATION FOR OUR ETHICAL STANDARDS.

Human Rights

An important component of our values is our commitment to respect human rights and apply responsible business practices across our operations and supply chain. To strengthen this commitment, we have a formalized Novolex Policy on Human Rights. Globally recognized declarations and covenants, including the UN Global Compact and the International Labor Organization conventions, guide the Policy. We also adhere to all laws and regulations designed to prevent human rights abuses, including the United Kingdom Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act. The Novolex Statement on Human Trafficking and Anti-Slavery sets forth our compliance with both acts.

Human Rights Compliance

To further identify and manage potential risks in our supply chain, we engage a third party to survey our suppliers that present inherent risk. The risk assessment is based on factors such as the country of production, raw materials used and products manufactured. The determinations are based on risk scores made by leading international organizations including the World Bank Governance Indicators, the U.N. Human Development Index, the Transparency International Corruption Index and the U.S. State Department Trafficking in Persons Report. Suppliers that met the risk criteria received self-assessment questionnaires covering human rights, labor, and environmental, health and safety practices and management systems. In 2022, we will refresh training for our procurement organization around supply chain ESG topics applicable to suppliers. The training will empower and equip our procurement organization with the knowledge and tools needed to identify risks and help suppliers remedy them.

Responsible Supply Chains

WE RECOGNIZE our responsibility to elevate awareness and compliance around human rights and responsible business practices within our supply chain. In 2021, we launched a process to revise our Supplier Code of Conduct, initially rolled out in 2019. The Supplier Code of Conduct outlines expectations around human rights as well as expectations for supplier environmental, health and safety practices and management systems. The revisions to the Supplier Code of Conduct provide an enhanced foundation for our robust supply chain management program. Novolex's contractual terms and conditions require suppliers to adhere to the Code. We plan to introduce the revised Supplier Code of Conduct in 2022. We expect suppliers to share our commitment and encourage them to apply these standards to their own supply chains.

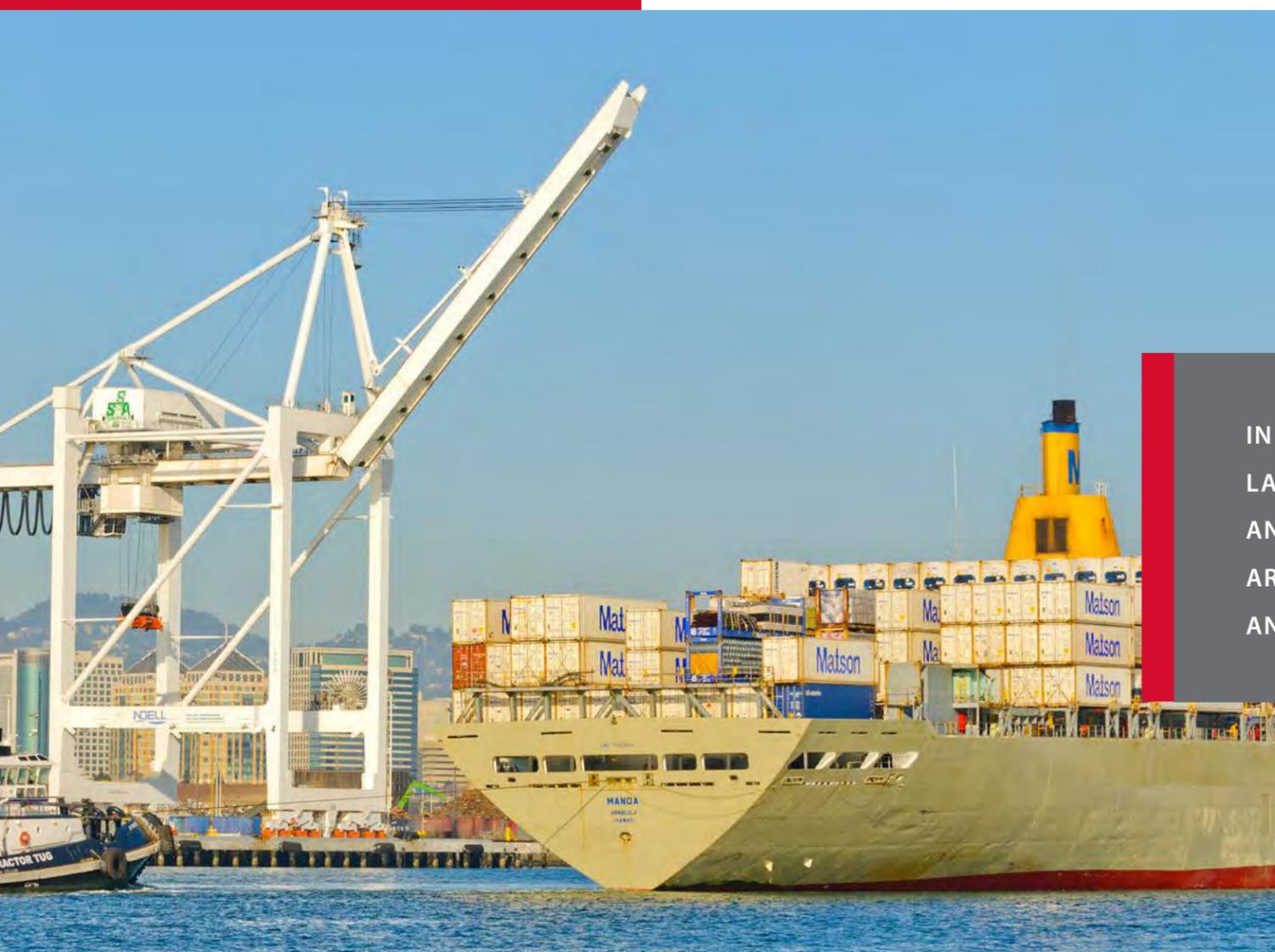
Supply Chain Compliance

To further identify and manage potential risks in our supply chain, we engaged a third party to identify suppliers that may pose risks to human rights, the environment and occupational health and safety in their operations. The risk identification is based on factors such as the country of production, raw materials used and products manufactured. The determinations are based on risk scores prepared by leading international organizations including the World Bank Governance Indicators, the U.N. Human Development Index, the Transparency International Corruption Index and the U.S. State Department Trafficking in Persons Report. Suppliers that meet the risk criteria receive self-assessment questionnaires covering human

rights, labor, and environmental, health and safety practices and management systems. In 2022, we will refresh the supply chain training on ESG expectations to equip our procurement team with the knowledge and tools to identify supply chain risks and help suppliers remedy them.

If we suspect suppliers are not adhering to the Novolex Supplier Code of Conduct, we reserve the right to take action and remedy concerns. Measures can range from corrective action plan and third-party audits to the termination of a suppliers' contract. We also grant our suppliers' employees access to the Novolex Ethics Helpline to report problems at their workplace.

IN 2021, WE LAUNCHED A PROCESS TO REVISE OUR SUPPLIER CODE OF CONDUCT TO REFLECT THE LATEST DEVELOPMENTS ASSOCIATED WITH PROTECTING HUMAN RIGHTS, WORKPLACE HEALTH AND SAFETY, AND OTHER TOPICS. THE SUPPLIER CODE OF CONDUCT OUTLINES EXPECTATIONS AROUND HUMAN RIGHTS AS WELL AS EXPECTATIONS FOR SUPPLIER ENVIRONMENTAL, HEALTH AND SAFETY PRACTICES AND MANAGEMENT SYSTEMS.



Human Capital

WITH OVER 10,000 NOVOLEX EMPLOYEES working in our facilities worldwide, it is our people—and their families who depend on us—who sustain our business and fuel our success. We are committed to providing employees with opportunities to grow on the job while feeling respected and supported in a diverse work environment. Our Novolex family has a deep understanding of our business and a wide range of perspectives and experiences, equipping Novolex for success well into the future.

Talent Development

Novolex invests in employee career growth through various on-the-job trainings, career-entry support programs and ongoing professional development opportunities. We focus on filling roles from within the company, where possible, to retain and develop our Novolex family.

Through a variety of communications platforms, we encourage every member of the Novolex family to contribute to and continue learning how best to support a sustainable future. Our internal *Green 411: Environmental Stewardship through Knowledge and Positive Action* newsletter includes sustainability news, product updates and tips on how to live more sustainably. In addition, towards the end of 2021 we launched a video podcast series, *Inside Novolex*, where we spotlight employees discussing a wide range of business-critical topics from products and materials that support the circular economy to innovation in paper packaging and Novolex’s hygienic Cutlerease™ dispensing system. Our three podcasts released in 2021 received over 1,600 employee views.

Through these educational platforms, we inform employees of our efforts to reduce Novolex’s environmental footprint while encouraging employees to integrate these learnings into both their professional and personal lives. Our employees embrace sustainability through various opportunities, including:

- Leveraging technology capabilities from across the company to develop new products
- Advancing waste reduction efforts in Novolex facilities
- Creating process efficiencies in our operations
- Contributing to local communities as environmental stewards



IN 2021, WE FILLED

40%

OF OPEN SALARIED POSITIONS WITH INTERNAL PROMOTIONS,

56%

OF WHICH WERE WOMEN OR PEOPLE OF COLOR.

WE SUPPORT OUR EMPLOYEES THROUGH THEIR CAREER JOURNEYS BY PROVIDING DETAILED PERFORMANCE FEEDBACK —

97%

OF ELIGIBLE EMPLOYEES COMPLETED PERFORMANCE REVIEWS IN 2021.

Diversity, Equity and Inclusion

THE IMPORTANCE OF DIVERSITY, EQUITY AND INCLUSION (DE&I) was core to the founding of Novolex and continues to be a story of progress. The Novolex Employee Code of Conduct addresses diversity and equal opportunity in regards to workplace discrimination. In addition, our strategic recruitment practices focus on identifying the best talent from across the world, providing Novolex with a diverse workforce from the company's localities.

We are proud of our DE&I progress but understand that there is always more work to do to provide a best-in-class workplace. In 2021, we finalized the first phase of our formal companywide DE&I initiative. We conducted a culture assessment including over 15 leadership interviews and over 20 randomly selected focus groups to determine the state of inclusion and belonging within the company. We are using the output of this assessment to design our company strategy, which will drive our future DE&I efforts.

We recognized the importance of identifying diverse candidate pools long before the start of our formal DE&I program. We include candidate diversity in our recruiting criteria for all C-Suite and leadership positions. In 2021, we assessed our recruiting and promotions practices to ensure alignment with our evolving DE&I program. We also developed DE&I training for our Senior Leadership Team to provide a foundation for future DE&I initiatives.

Supplier Diversity

We are committed to continuously improving our supplier engagement strategy. We recognize the potential of using suppliers that reflect the diversity of the communities where we operate. In 2021, we evaluated strategic approaches to increase Novolex's support for diverse businesses and hope to be able to develop a plan to do so in 2022 and beyond.

Women on the Rise

Novolex's Natalie Esposito (right) and Jamie Rife (below) were recognized for their outstanding performance and leadership. Authority Magazine interviewed Natalie Esposito, Plant Manager of the Orangeville, Canada, Shields® facility, to share highlights of her 20-year manufacturing career and experience as a successful business leader. The second annual Plant Services class of young professionals recognized Jamie Rife, Quality Assurance Manager, for her exceptional work at Novolex and her potential as a rising leader. Natalie and Jamie represent the many ambitious and accomplished women that drive success at Novolex.



IN 2021, WOMEN OR PEOPLE OF COLOR MADE UP

38% OF OUR TOP 60 LEADERS AND

30% OF OUR PLANT MANAGERS.

“



Don't put limits on your own success. If you're looking for someone to say that a role isn't for you or a goal is too difficult, I can guarantee you'll find them. But looking for reasons why you can't do something will only result in putting yourself and your value down. Instead, walk into every situation with the confidence that you have what it takes, and other people's doubts will have no hold over what you can achieve.

NATALIE ESPOSITO, *Plant Manager of the Orangeville, Canada, Shields® facility*

”

Employee Health and Wellness

AS WE FOSTER a culture of wellness at Novolex, we urge employees to prioritize health and well-being while providing resources to help them achieve this goal. We understand that healthy lifestyles ultimately affect personal happiness, career satisfaction and safe work behaviors. National health schemes, available at our operations outside the U.S., complement Novolex-sponsored benefits.

Novolex Chairman's Scholarship

In 2021, Novolex launched a new adoption benefits program to support interested parents. In addition, Novolex introduced the Chairman's Scholarship in December 2021, which provides children of Novolex employees in the U.S. with scholarship funds for technical schools and accredited colleges and universities. We will award five children an annual stipend for up to four years, starting in 2022. The scholarship funds are eligible for tuition fees, books and tools.

Employee Assistance Programs

Our health and wellness offerings address mental and physical health to promote overall well-being. Our employees have 24/7/365 access to our online Employee Assistance Program for mental health support, along with in-person counseling. We continue to offer a pre-paid premium subscription to the Sanvello App—providing content to ease stress, anxiety and depression.

Nutrition and Exercise

Novolex supports employee physical health through numerous resources including nutrition and exercise programs. We provide many employees with access to health platforms and discounted gym memberships through the RALLY digital health platform and the Active & Fit membership program, respectively. Eligible employees receive Livongo Diabetes Management services and Livongo Blood Pressure Management services at no expense. These services include a free meter/monitor, online education and reference materials, and unlimited coaching.

In addition, we manage in-person and virtual running, walking and cycling clubs for employees to socialize outside of work while staying active. In 2021, our walking club engaged employees through a virtual destination walk from one Novolex plant to another in our Canada operations. We are safely returning to in-person activity clubs at a local level depending on COVID-19 case rates.

Supporting the LGBTQ Community

In support of the LGBTQ+ community, Novolex sponsored a table at the 2021 Black Tie Dinner fundraiser event in Dallas, Texas. Black Tie Dinner is the largest fundraising dinner for the LGBTQ+ community in the United States. Since 1982, Black Tie Dinner has distributed over \$25 million to North Texas beneficiaries.

With a workplace culture rich in diversity and inclusion, we have a strong foundation to provide employees with the support to excel at Novolex. We are dedicated to advancing our DE&I efforts as we continue writing our story of progress.

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Representing Novolex at Black Tie, Inc. was an honor... I'm genuinely grateful and proud to belong to and actively collaborate with an organization committed to a core Novolex sustainability pillar—our people and communities. Our Diversity and Inclusion panel discussions encourage and provide a platform to recognize and review opportunities to contribute to our diverse communities. Not only was this event an empowering and learning environment, our sponsorship supported a record-breaking year for a community very important to me and to many others in our Novolex family.

JEREMY HEIL, *Vice President Sales, Specialty Retail*

”



Communities and Focused Giving

NOVOLEX CONTINUOUSLY seeks opportunities to act as good stewards where we live and work, giving back to those in need through donations and our time. Novolex's Focused Giving Program prioritizes support for organizations whose missions align with our core business initiatives and values—addressing food and hunger needs, promoting sustainability and sponsoring health and wellness. When concentrating our philanthropic efforts, we listen to employees and donate Novolex products, such as utensils, plates, cups and bags to local communities in need.

Novolex Recycling Challenge

In 2021, we launched an Earth Day Recycling Challenge, prompting employees to submit ideas for improving recycling in local communities and Novolex facilities. We received 30 submissions and awarded the winning submissions with funds to donate to a charity of their choice. The winning employee, Jason Stover (right), donated to TeamSeas, an international collaborative fundraiser project focused on removing marine debris from the ocean.

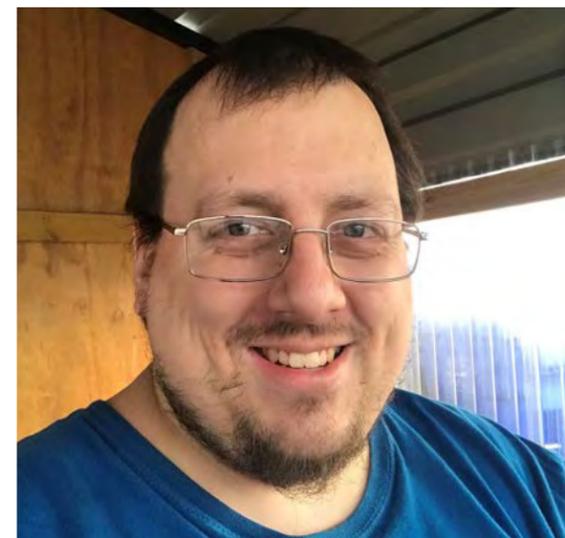
Clean-Ups

In addition to funding organizations focused on removing waste from the environment, our employees donate their time and energy through clean-up events. In 2019, Novolex started engaging employees in virtual and in-person global clean-ups using the Litterati app. Employees use the app on their mobile devices to track the amount of waste removed from coastlines. In 2021, we collaborated with the Alliance to End Plastic Waste (AEPW) by participating in its All_Together World Cleanup event while using the Litterati app. Litterati is a leading data science platform with a mission to create a litter-free world.

Supporting Forests

In addition, Novolex supports the National Forest Foundation, which promotes the health and public enjoyment of forests, watersheds, wildlife and recreation resources. We partner with the foundation to plant trees to replace those lost to natural disturbances such as wildfire, insects and disease outbreaks. In 2021, the National Forest Foundation planted 12,500 trees on Novolex's behalf through our corporate sponsorship. Trees are a vital resource that replenish our eco-systems and provide Novolex with renewable materials for our products.

We also value the impact our employees have on their communities through in-kind donations. For the second year, the Novolex Waddington Europe facility organized donation events for the Loaves and Fishes charity to support families in need during the Christmas holiday. The Loaves and Fishes charity provides warm meals and clothing to communities throughout Arklow, Ireland.



“

Ever since I was a kid, I have loved recycling and environmental conservation. I saw the Employee Recycling Challenge as an opportunity to make changes that could be great for our environment. I look forward to seeing my idea full scale someday in every facility and love that my company supports sustainable ideas from everyone.

JASON STOVER, *Machine Operator for the Milesburg, Pennsylvania, Hilex® facility*

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Novolex's membership with the Alliance to End Plastic Waste (the Alliance) has provided our company with a unique opportunity to raise global awareness about plastic waste in the environment and develop concrete solutions to address this environmental challenge. The Alliance is composed of over 80 companies within the plastics value chain from fossil fuel extraction and resin companies to converters, like Novolex, and brand owners that use plastic packaging for products. The Alliance sponsors grassroots projects across six continents with the goal of educating communities on managing, reclaiming and reusing plastic waste. The projects include efforts to develop recycling infrastructure and provide post-consumer content for use in new packaging.

Appendix

Materiality Assessment

In 2020, Novolex engaged a leading sustainability consultancy to conduct a robust materiality assessment. We identified and prioritized topics most important to the business and our stakeholders, resulting in 23 topics, including nine high-priority, Tier 1 topics. Our Tier 1 topics influenced the disclosures addressed in this report and in our Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) content index on the following pages.

TIER 1 MATERIAL TOPICS

1. CIRCULAR ECONOMY
2. PRODUCT DESIGN AND INNOVATION
3. PUBLIC POLICY
4. MATERIALS
5. EMISSIONS
6. WASTE MANAGEMENT
7. CONSUMER EDUCATION
8. OCCUPATIONAL HEALTH AND SAFETY
9. DIVERSITY AND EQUAL OPPORTUNITY

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



GRI Standards and SASB Content Index

GENERAL DISCLOSURES		REPORT LOCATION	FOOTNOTES
<i>Organizational Profile</i>			
102-1	Name of the organization	Sustainability Vision, Pillars and Metrics	
102-2	Activities, brands, products, services	Novolex Company Overview Webpage	
102-3	Location of headquarters	Hartsville, South Carolina	
102-4	Location of operations	Sustainability Vision, Pillars and Metrics	
102-5	Ownership and legal form	Governance	
102-6	Markets served	Novolex Company Overview Webpage	
102-7	Scale of the organization	Sustainability Vision, Pillars and Metrics	
102-8 / RT-CP-000.C	Information on employees and other workers	People and Communities	
102-10	Significant changes to the organization and its supply chain	Sustainability Vision, Pillars and Metrics; Governance	
102-12	External initiatives	Sustainability Vision, Pillars and Metrics	
102-13	Membership of associations	Partnerships, Policy and Measurement	
<i>Strategy</i>			
102-14	Statement from senior decision-maker	CEO Message	
<i>Ethics and Integrity</i>			
102-16	Values, principles, standards and norms of behavior	Ethics, Integrity and Human Rights	
102-17	Mechanisms for advice and concerns about ethics	Ethics & Compliance Hotline	
<i>Governance</i>			
102-18	Governance structure	Governance	
102-19	Delegating authority	Governance	
102-21	Consulting stakeholders on economic, environmental, and social topics	Governance	

Governance

102-22	Composition of the highest governance body and its committees	Governance	
102-23	Chair of the highest governance body	Chairman and CEO Stan Bikulege	
102-26	Role of highest governance body in setting purpose, values, and strategy	Governance	
102-29	Identifying and managing economic, environmental, and social impacts	Governance; Safety; Cybersecurity	
102-31	Review of economic, environmental, and social topics	Governance	
102-32	Highest governance body's role in sustainability reporting	Governance	

Stakeholder Engagement

102-40	List of stakeholder groups	Partnerships, Policy and Measurement	
102-42	Identifying and selection stakeholders	Partnerships, Policy and Measurement	
102-43	Approach to stakeholder engagement	Partnerships, Policy and Measurement	
102-44	Key topics and concerns raised	Partnerships, Policy and Measurement	

Reporting practice

102-46	Defining reporting content and topic Boundaries	Novolex Approach to Sustainability	
102-47	List of material topics	Content Index	
102-48	Restatements of information	Novolex is restating 2020 energy use and emissions information due to updated natural gas and electricity consumption data and newly published emissions factors.	
102-50	Reporting period	January-December 2021	
102-51	Date of most recent report	Novolex 2020 Sustainability Report published on August 3, 2021	
102-52	Reporting cycle	Novolex Approach to Sustainability	
102-53	Contact point for questions regarding the report	Novolex Approach to Sustainability	
102-55	GRI content index	Content Index	
102-56	External Assurance	We commissioned an external third party to perform attest procedures with respect to our scope 1 and 2 emissions and associated intensity metric (CO ₂ e per ton of production) as of December 31, 2021. Full details and data methodology are available via the link.	https://novolex.com/wp-content/uploads/Clydesdale-Acquisitions-PwC-Report-of-Independent-Accountant_Web.pdf

Reporting practice

103-1,2,3	Management Approach: Ethics and Integrity	Ethics, Integrity and Human Rights	
103-1,2,3	Management Approach: Supply Chain	Ethics, Integrity and Human Rights	
103-1,2,3	Management Approach: Environment	Products; Operations	
103-1,2,3	Management Approach: Talent Management	Human Capital	
103-1,2,3	Management Approach: Community Engagement	Community and Focused Giving	

Economic

Anti-Corruption

205-2	Communication and training about anti-corruption policies and procedures	Novolex Employee Code of Conduct	
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Environmental

Materials

301-1	Materials used by weight or volume	Raw Materials					
301-2	Recycled input materials used	Raw Materials					
306-2	Management of significant waste-related impacts	Product Design, Use & End of Life					
RT-CP-000.B	Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic		2018	2019	2020	2021	[1] The breakdown is determined based on provided production data for each business unit, with business units classified as either paper or plastic. These breakdowns are not inclusive of all products sold by Novolex.
		Paper	44%	45%	47%	47%	
		Plastic	56%	55%	53%	53%	
		See footnote for more information[1]					
RT-CP-150a.1	Amount of hazardous waste generated; percentage recycled	Waste Management				[2] Represents total reported hazardous waste. Data on % of hazardous waste recycled is not collected.	
		Metric Tons	2019	2020	2021		
		Hazardous Waste	90	82	72		
		See footnote for more information[2]					
RT-CP-410a.1	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	Raw Materials					
RT-CP-410a.2	Revenue from products that are reusable, recyclable or compostable	Product Design, Use & End of Life					
RT-CP-410a.3	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Product Design, Use & End of Life					

Materials

RT-CP-430a.1	Total wood fiber procured, percentage from certified sources	Raw Materials	
RT-CP-430a.2	Total aluminum purchased, percentage from certified sources	Aluminum sourced by Novolex is currently not certified.	

Energy

302-1	Energy consumption within the organization	Energy and Emissions				[3] Novolex is restating 2020 energy use and emissions due to updated electricity consumption information and improved management systems.	
			2018	2019	2020		2021
		Energy Consumed (GJ)	3,178,186	3,441,908	3,282,036		3,295,126
See footnote for more information[3]							
RT-CP-130a.1.	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Energy and Emissions				[3] Novolex is restating 2020 energy use and emissions due to updated electricity consumption information and improved management systems.	
			2018	2019	2020		2021
		Energy Consumed (GJ)	3,178,186	3,441,908	3,282,036		3,295,126
		% Grid Electricity	82%	82%	82%		82%
		% Renewable	0%	0%	4%		9%
		Total Self-Generated Energy (GJ)	0	0	0		0
See footnote for more information[3]							

Emissions

305-1	Direct (Scope 1) GHG emissions	Energy and Emissions				[3] Novolex is restating 2020 energy use and emissions due to updated electricity consumption information and improved management systems.	
			2018	2019	2020		2021
		Scope 1 Emissions (MT CO ₂ e)	27,895	30,246	29,588		29,771
See footnote for more information[3]							

Emissions

RT-CP-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Energy and Emissions				[3] Novolex is restating 2020 energy use and emissions due to updated electricity consumption information and improved management systems.	
			2018	2019	2020		2021
		Scope 1 Emissions (MT CO ₂ e)	27,895	30,246	29,588		29,771
		% Covered by Emissions regulations	0%	0%	0%		0%
See footnote for more information[3]							
RT-CP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Energy and Emissions					
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions				[3] Novolex is restating 2020 energy use and emissions due to updated electricity consumption information and improved management systems.	
			2018	2019	2020		2021
		Scope 2 Location-Based Emissions (MT CO ₂ e)	279,416	265,156	228,920		231,179
		Scope 2 Market-Based Emissions (MT CO ₂ e)	288,134	324,611	274,701		261,079
See footnote for more information[3]							
305-4	GHG emissions intensity	Energy and Emissions					
305-5	Reduction of GHG emissions	Energy and Emissions					
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Air Emissions					
RT-CP-120a.1	NO _x and PM	Air Emissions					

Social

Occupational Health and Safety

Occupational Health and Safety

403-1	Occupational health and safety management system	Novolex has implemented an occupational health and safety management system.	
403-3	Occupational health services	Safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety	
403-5	Worker training on occupational health and safety	Safety	
403-6	Promotion of worker health	Employee Health and Wellness	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety	
403-9	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety	

Training and Education

404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development	
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Human Capital

102-41	Collective bargaining agreements	People and Communities	
401-2	Benefits provided to full-time employees	Human Capital; Employee Health and Wellness	
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Development	

Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	Human Capital; Diversity, Equity and Inclusion The Novolex 10-member Senior Leadership team includes two women and eight men.	
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Product Safety

416-1	Assessment of the health and safety impacts of product and service categories	Products; Food and Product Safety	
RT-CP-250a.1.	Number of recalls issued; total units recalled	Novolex had no recalls in 2021.	
RT-CP-250a.2.	Discussion of process to identify and manage emerging materials and chemicals of concern	Product Design, Use & End of Life	