

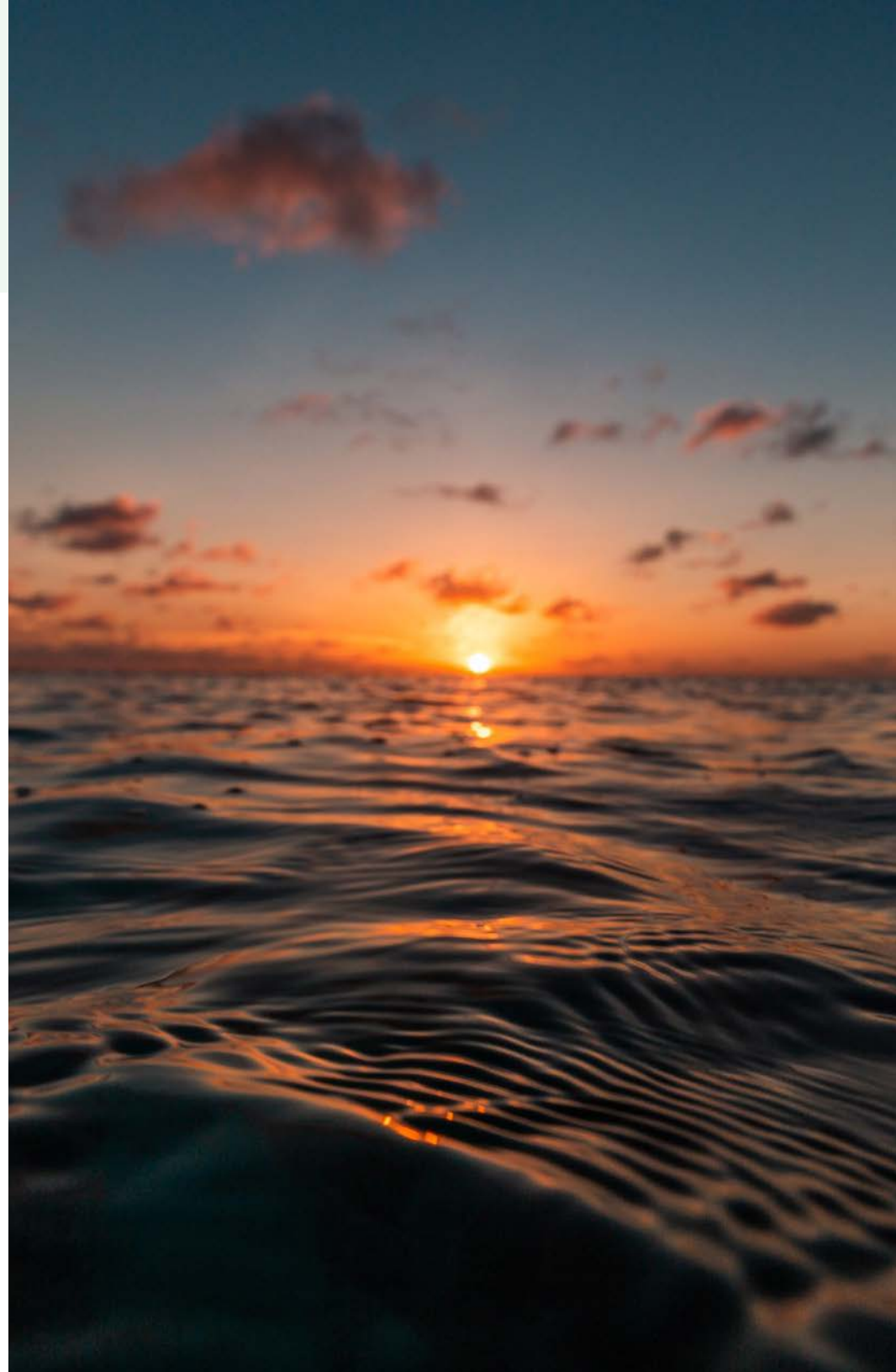
Atlantic Packaging Sustainability Report

2019 -2020



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I. Sustainability

Mission Statement

"We, Atlantic Packaging, are committed to creating, supporting and managing sustainable systems in packaging and commerce. We acknowledge our unique position in the supply chain and our moral obligation to do our part in creating a world free of pollution.

We commit ourselves to carbon footprint reductions for our organization and our network of client companies, suppliers and customers, as well as to being the key market leader in supporting the development and implementation of robust sustainability strategies for ourselves and our key partners.

Sustainable practices in packaging and logistics guide our market strategies and philosophy. By utilizing a diversified approach incorporating energy reduction, efficiency, and renewables, Atlantic is also committed to a net zero carbon footprint for our organization by the year 2030.

Our efforts are guided by a regenerative vision for the future of our planet and our children. We steward cooperation, collaboration, education, and transition throughout the marketplace. We remain always curious and adaptable to emerging technologies and systems that seek to solve the environmental challenges that harm or destroy our living Earth."

Climate Pledge

To limit global warming and ensure the longterm stability of the Earth's climate, Atlantic Packaging commits to do our part to keep global warming to 1.5°C or less through the year 2050. Atlantic pledges to reduce our Scope 1 and 2 emission to NET ZERO by 2030 and a 50% reduction in Scope 3 emissions. We pledge to a NET ZERO emission across our entire value chain (Scope 1-2-3) by 2050 inline with the science based targets established by the Paris Climate Accord.

*We pledge to achieve a **NET ZERO** emission across our entire value chain (Scope 1-2-3) by 2050.*

II. Sustainability Leadership Council

In 2019, Atlantic established a **Sustainability Leadership Council** comprised of the company President and several key Senior Management level individuals.

This council was charged with establishing Atlantic's operational environmental impact; implementing aggressive, science-based carbon reduction strategies; and continuing to develop and promote more sustainable programs in packaging for our key customers.

Atlantic is also continuing our key membership in SPC, SFI and other sustainable packaging organizations. The Council presents quarterly to the entire Atlantic management team to update progress and active initiatives.



III. Goals for Fostering A Better Planet

Our 2025 Sustainability Goals align with several of the UN Sustainability Goals established in 2015.

We have aligned activities throughout our operations and supply chain to the metrics that are considered the most material to our business and critical to our customers. Our focus is on areas where we can make the most significant positive impact, primarily the packaging programs and products we bring to market for major consumer packaged goods (CPG) companies.

CDP

Atlantic is committed to a sustainability program that includes disclosure, transparency, and a willingness to be evaluated from any interested party. In 2018, we first participated in the annual survey from the Carbon Disclosure Project, now CDP.

Over the past three years we have made progress on our journey and **this year we were awarded a B- score**. This represents a significant improvement over previous years and is much higher than our peer group.

We appreciate the approach CDP takes in the evaluation of progress and are committed to the path they have created. We aspire to be included on their list of "A Rated Companies."

Learn more at <https://www.cdp.net/en>

Science Based Target Initiative

In November 2020, our company committed to adopting science-based targets in line with the **Science Based Targets Initiative** and have set targets to reduce our operational carbon emissions by 50% by 2025. This equates to 10,500 metric tons annually. Our goals are to reduce energy use and fuel use, as well as create programs to help our customers reduce, reuse and recycle the packaging products we supply to the market.

See our Science Based Commitment Here:

<https://sciencebasedtargets.org/companies-taking-action#table>

IV. Baseline Measurements

In 2019, Atlantic measured our baseline consumption and operations to have a clear understanding of our performance and opportunities for improvement. The following are the areas we measured and the results from this analysis.

1. Scope 1 & 2 Emissions

In year 2019, our Scope 1 and 2 greenhouse gas emissions (CO₂e) were 20,998.2 metric tons.

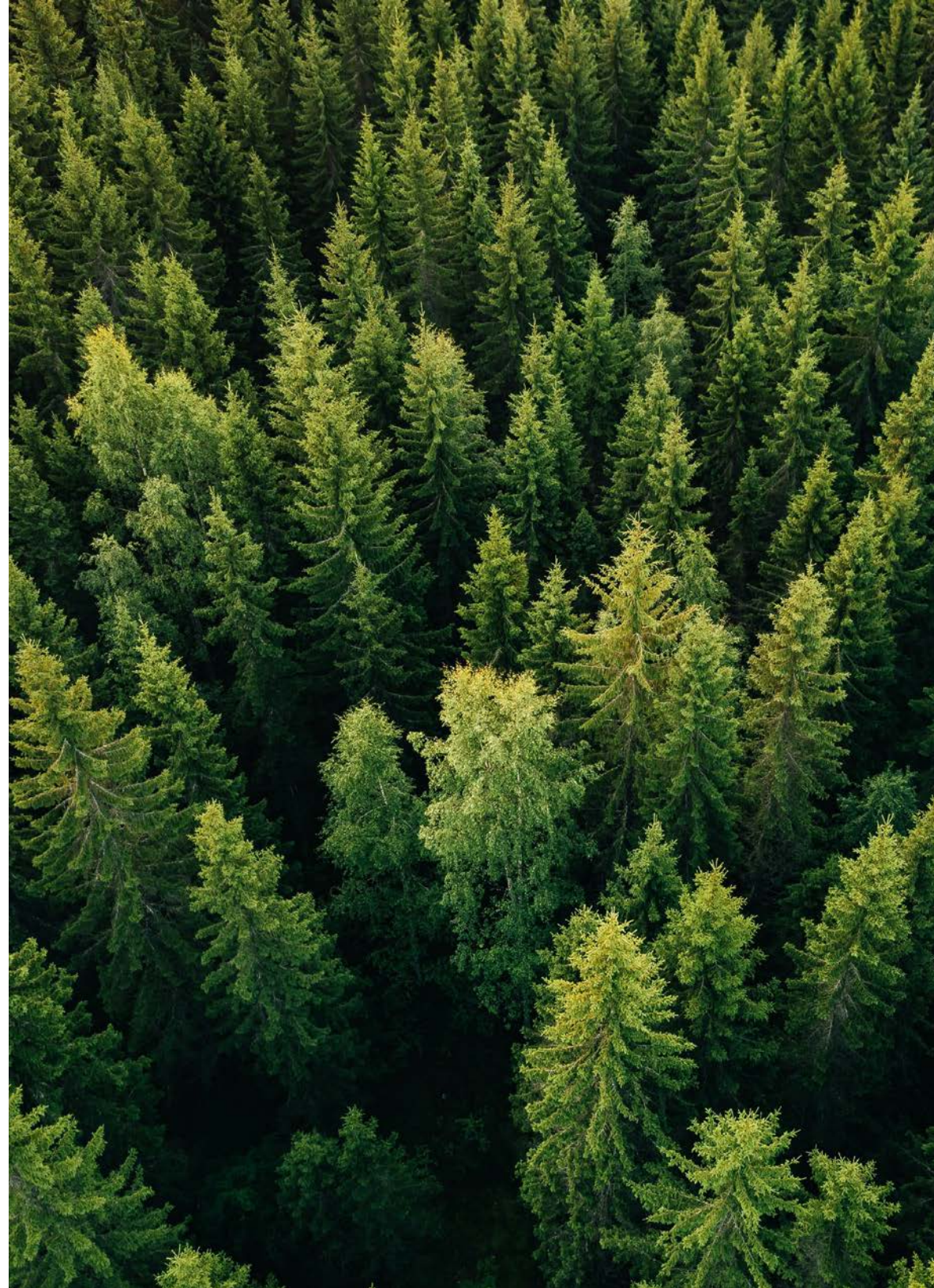
2. Scope 3 Emissions

Atlantic has not yet captured our Scope 3 emissions. This is currently under evaluation and will be reported as the information is available. Even as we work to capture these numbers, we are putting programs into motion that will reduce emissions from upstream and downstream sources.

3. Energy Efficiency

In 2019, Atlantic began a transition to energy efficient halogen lighting in all facilities (25 unique operations). This initiative is set to be complete in 2021, and current estimates show a reduction in energy consumption of over **60%** and annual reduction of carbon over 2,000,000 KWH.

Atlantic has plans to perform full energy audits across all operations in **2021 with a goal of 10% reduction in energy consumption from more energy efficient process and technology.**



4. Renewables in Operations

Atlantic launched a major initiative and investment in **renewable solar energy by partnering with Renewvia Energy** across our entire network of operations with the goal to offset 50% of all carbon emissions from our internal operations (Scope 2 emissions). The goal for the carbon offset is over 5000 tons of carbon annually. The current scope of the solar investment will be in excess of 4.2MW of solar infrastructure at 8 unique operations. This aggregate system will produce 4.5 million KWH of renewable energy annually.

Atlantic plans to invest in outside renewables to offset the remaining 4000 tons of carbon emissions from Scope 2 operational emissions.

5. Renewables in Logistics & Material Handling

Beginning in 2020, our Leadership Council began evaluating the feasibility of renewables in logistics. We are currently assessing the viability of electric and Hydrogen fuel as options for powering our fleet of delivery trucks. The current technology available does not meet our needs, but we will continue to assess as the technology advances. We believe that once battery technology will allow for 400-500 miles on a single charge, electric semi tractor trailers will become viable.

In 2021, Atlantic began a transition away from natural gas powered forklifts to a fully electric fleet. **In 2021 40 LP forklifts will be replaced, reducing our LP emissions by 36%.**

6. Internal Recycling Program

As a major US converter of paperboard, Atlantic has robust recycling programs and has recycled in excess of 40,000 tons of paperboard in 2020. This represented 148,148 cubic yards of waste that was avoided in

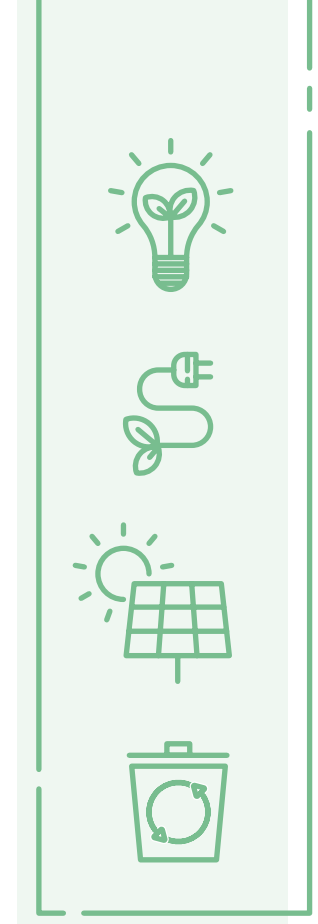
landfills. Atlantic Packaging currently recycles 96% of all waste produced. We have goal to recycle 99% of all waste produced at all operations by 2025.

7. Water Stewardship

Global water supply is a resource that's being increasingly threatened. One third of the global population lives in areas with water shortages, and that percentage is expected to increase as populations grow. Climate change is also reducing water availability in some regions.

Sustaining and enhancing the quality of our water supply is critical to our planetary health.

Atlantic does not use process water in our manufacturing or distribution facilities, so our overall usage is relatively low, approximately 19,000 cubic meters annually. We understand that every gallon matters, and we have engaged with our individual facilities to implement process improvements.



V. Sustainable Packaging Programs

One of the most effective ways to be more sustainable in packaging is to use the least amount of material necessary to properly protect the products or shipments. Packaging optimization for material reduction has become a core tenant in how we go to market.

We focus on the following **four main areas** to create packaging **efficiency and circularity**.

1.

Packaging Effectiveness

Packaging, first and foremost, must protect the intended product and ensure that it reaches its destination without damage. This prevents damaged product from ending up in landfills.

2.

Packaging Efficiency

Using technology to test, verify, and monitor packaging equipment and materials ensures that the least amount of packaging is applied to ship products without damage.

3.

Monitoring and Standardization

Creating data-based packaging standards based on scientific testing and then monitoring those standards to properly report and effectively measure carbon reductions as optimization strategies are realized.

4.

Closed Loop Systems

Establishing closed loop systems by collaborating across the supply chain to capture packaging waste and efficiently deliver clean, quality waste to recyclers for reuse.





VI. Sustainable Packaging Products

Atlantic promotes and innovates the most sustainable packaging products in the marketplace. We do this by establishing the most aggressive packaging efficiency, and then establishing where in the supply chain the packaging is destined. We've learned that **the key to creating sustainable systems is in understanding the recycling infrastructure available based on the end destination**, whether that's a consumer, retailer, or industrial setting.

In business-to-business (B2B) packaging, recovery is the key component of a closed loop recycling program. Atlantic is investing in creating new systems to capture plastic packaging at the distribution level. **The key to collection is cleanliness.** In order for PE, especially clear shrink and stretch film, to be recycled effectively and create the best post consumer resins, the waste needs to be at least 95% PE, with an eventual target of 98%. Because our programs utilize only high performance films in combination with our recovery training program, this allows us to ensure quality waste every single time.

Once waste is bailed at the business distribution level, it is backhauled to the original packaging use destination where it is collected for recycling. Atlantic facilitates this system and supports the return of full TLs of bailed, clean PE to our recycling partners. The waste is converted into high quality PCR resins that can be used in many products including top sheets, shrink film, bags, box liners and can liners. **Atlantic is on a mission to create the first closed loop system for end of line PE packaging**, and have current pilot programs underway.

For consumer destined packaging (i.e. e-commerce parcels), the following are the main factors that we consider.



1. Right Sizing

Right sizing can achieve major gains in sustainability and is our primary strategy for efficient packaging. Atlantic helps customers evaluate the least amount of packaging (i.e the “right size”) needed to secure the product being shipped.

2. Sustainable Materials

Atlantic promotes a wide range of paper-based, curbside recyclable, and compostable packaging materials including mailers, slip sheets, voidfill and paperboard beverage carriers. Our full line-up of recyclable packaging materials is available on the [sustainability page of our website](#).

3. A Note About PCR Content in Packaging Products

We are committed to supporting the use of post-consumer resin in flexible packaging products where there is a strong case for this technology. Today, based on the quality of PCR, **we believe PCR content makes the most sense in lower value products where all the packaging efficiency has already been achieved.**

It is critical that when implementing PCR content into packaging products, we do not sacrifice packaging efficiency (i.e. having to design thicker products to achieve needed performance). We currently support PCR in shrink bundling films, air pillows for dunnage and other bags and films in lower performance applications including garment bags and top sheet material.

4. Sustainable Packaging Products from Atlantic

- **Fishbone Recyclable Can Carriers** - we have the exclusive license to offer the first ever 100% curbside recyclable, compostable beverage carrier. Learn more at fishbone.com.
- **Curbside Recyclable Mailers** - we offer options in 100% fully curbside recyclable mailers in both padded and paper envelope options ideal for e-commerce shipping. Learn more at atlanticpkg.com/curbside-recyclable-mailers
- **Guardian Taping System** - we partnered with ShurTape to offer an efficient taping system to reduce material waste. Learn more at atlanticpkg.com/guardian
- **LayerShield Sheet Program** - we offer paperboard sheets made from 100% recycled fibers ideal for replacing corrugated or poly sheets. Learn more at atlanticpkg.com/layershield
- **Clysar EVO and EVOX Recyclable Shrink Films** - high-performance recyclable packaging films. Learn more at clysar.com/shrink-films/evo-recyclable-films
- **Greenline Ranpak Voidfill Paper** - this is 100% Recycled Packaging Paper. Learn more at Ranpak.com
- **Sealed Air 50% PCR Air Pillows** - these are the first ever 50% PCR air pillow for protecting and securing parcels for ecommerce shipments. Learn more at sealedair.com/products/protective-packaging/inflatable-packaging-air-pillows



VII. Other Atlantic Resources

We are constantly evolving our materials and messaging around sustainability in packaging. Here are a few resources that we keep up-to-date with this information.

- Atlantic Sustainability Program
<https://www.atlanticpkg.com/sustainability-program/>
- Articles about Sustainability in Packaging
<https://www.atlanticpkg.com/blog/>
- The Threat of Single Use Plastics and the Fishbone Recyclable Can Carrier System
<https://Fishbone.com>

