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I. Sustainability

Mission Statement

Atlantic Packaging is committed to supporting an intelligent transition to a circular packaging supply chain and a waste-free world. We commit all the innovative energy of this organization to establishing the most sustainable packaging systems for the Earth.

We will be impartial arbiters of truth in packaging. Atlantic will support and advocate only for packaging that is sourced from renewable or recyclable feedstocks, is designed for practical recyclability and circularity, and meets our customers' needs for the utmost product protection and brand awareness.

We commit to live the questions in collaboration with the greater supply chain to realize this ultimate, and radically necessary, goal.

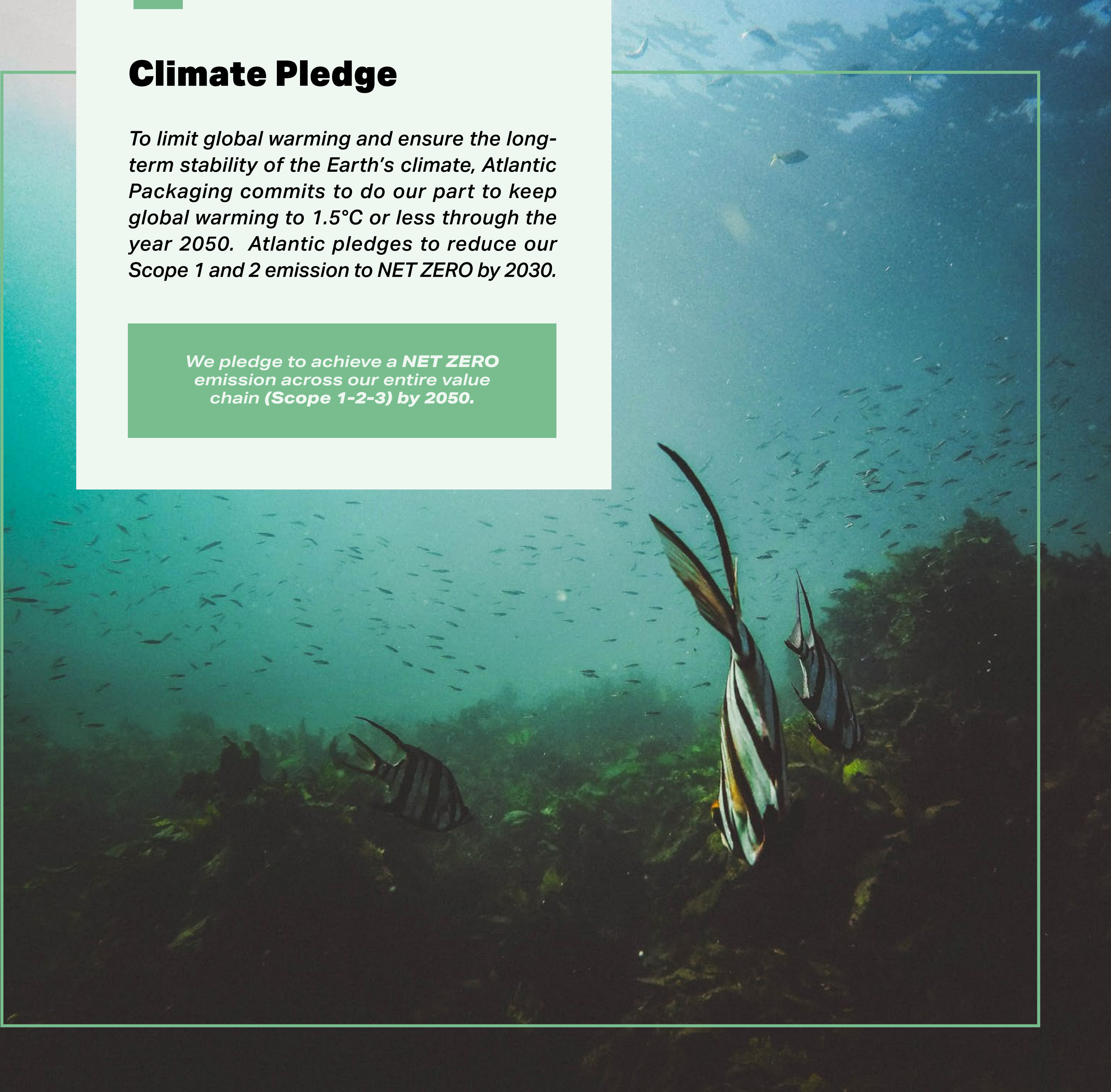
– Wes Carter
President,
Atlantic Packaging



Climate Pledge

To limit global warming and ensure the long-term 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.

*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 the Sustainable Packaging Coalition, the Sustainable Forestry Initiative, the Alliance to End Plastic Waste, and other sustainable packaging organizations. The Council presents quarterly to the entire Atlantic management team to update progress and active initiatives.



III. Memberships and Certifications



MEMBERSHIPS:

1. Alliance to End Plastic Waste

The Alliance to End Plastic Waste is a non-profit organization **committed to ending plastic waste in the environment**. Their mission is to develop, accelerate, and deploy innovative and impactful solutions, engage communities around the world, and to catalyze investments.

The Alliance’s **members represent the full range of the plastic value chain** and are united in their drive and vision to end plastic waste in the environment. As a specialist in end-of-line packaging systems and materials as well as converted paperboard and corrugated solutions, **Atlantic is connected up and down the supply chain** and is well positioned to help influence change.

2. Sustainable Packaging Coalition

The Sustainable Packaging Coalition (SPC) is a membership-based collaborative that believes in the power of industry to make packaging more sustainable. They are the leading voice on sustainable packaging, and their mission is to bring packaging sustainability stakeholders together to **catalyze actionable improvements to packaging systems** and lend an authoritative voice on issues related to packaging sustainability.

As a packaging supplier as a well as a manufacturer, Atlantic is dedicated to using the tools from the SPC to research, develop, and offer more sustainable packaging products to our customers.





CERTIFICATIONS:

3. Sustainable Forestry Initiative

The Sustainable Forestry Initiative® (SFI) is an independent, non-profit organization that believes that sustainable forests are critical to our collective future.

SFI promotes sustainable forestry practices through forest-level certification requirements that include **measures to protect water quality, biodiversity, wildlife habitat, species at risk and forests** with exceptional conservation value.

They then use Chain of Custody Certification to **track forest fiber content** (certified forest content, certified sourcing and recycled content) through production and manufacturing to the end product.

Atlantic Packaging is **SFI 2015-2019 Chain of Custody certified**. This certification is part of the SFI accounting system that tracks certified forest content, certified sourcing and recycled content. Atlantic also meets **PEFC™ ST 2002:2013 International Standard requirements for Chain of Custody Forest-Based Products**.

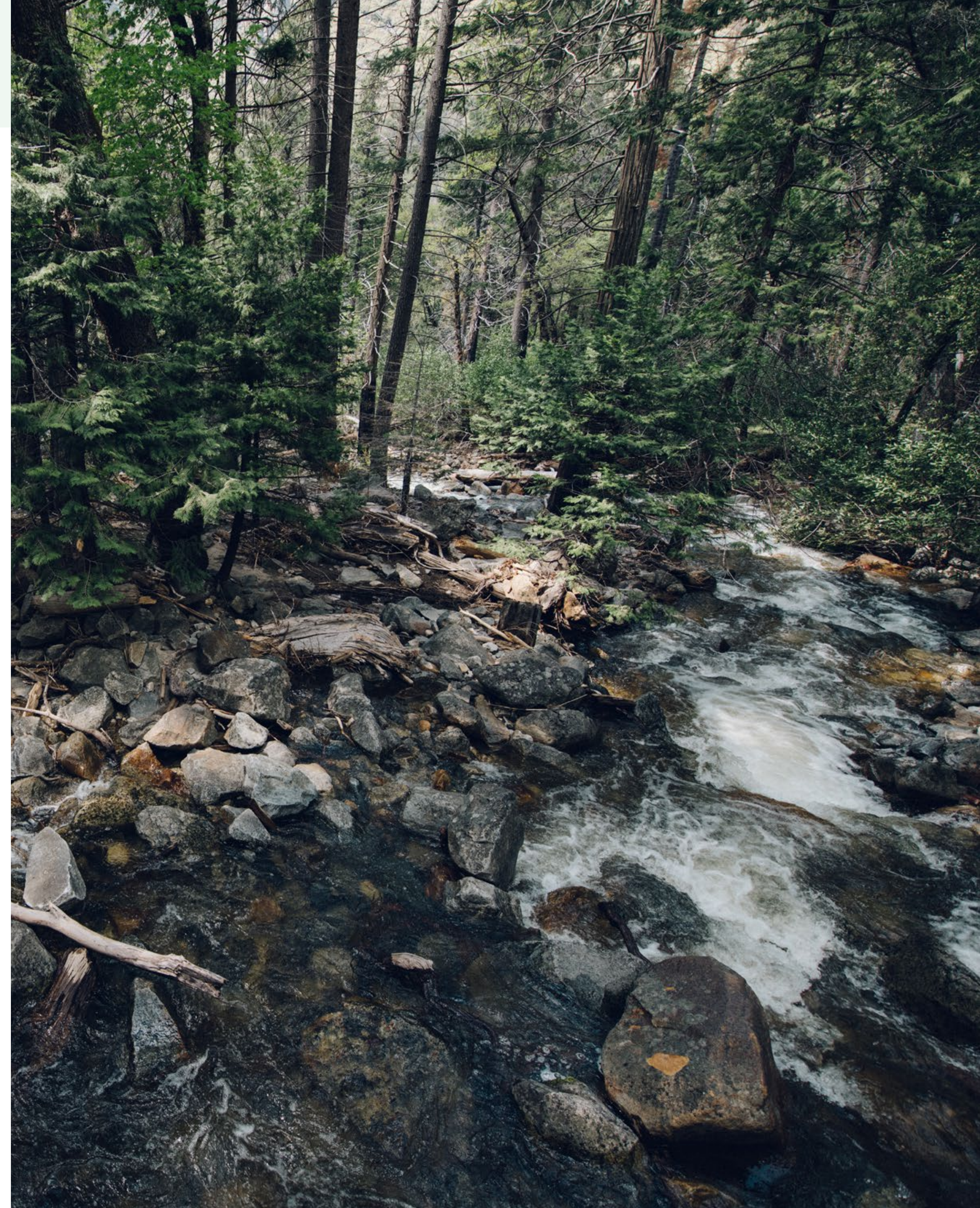
4. Forest Stewardship Council

The Forest Stewardship Council® (FSC) is a **sustainable forest management solution** that promotes the responsible management of the world's forests.

FSC defines what can and can't be described as a sustainable forest. **They provide principles for managing the forest well and help forest owners, communities, and businesses agree on decisions and consider the impact of today's decisions on tomorrow's generations.**

By becoming FSC-certified, forest owners and managers demonstrate that they are managing their forests responsibly. **The FSC chain of custody standard provides credible assurance that forest products sold as FSC certified originate from well-managed forests, controlled sources, reclaimed materials, or a mixture of these.** FSC chain of custody certification facilitates the transparent flow of goods from the forest, through all the processing and trading stages, to the final consumer.

Atlantic Packaging has been assessed and certified as meeting the requirements of **FSC-STD-40-004 V3-0**. This certification verifies that FSC-certified material has been identified and separated from non-certified and non-controlled material as it makes its way along the supply chain from the forest to the market.





NEPCon OÜ hereby confirms that the Chain of Custody system of

Atlantic Corporation of
Wilmington, Inc.

3900 Spring Garden Street
Greensboro, North Carolina 27417
United States

has been assessed and certified as meeting the requirements of
FSC-STD-40-004 V3-0

The certificate is valid from March 31, 2019 to March 30, 2024

Scope of certificate


Certificate type: Single Chain of Custody

Certificate registration code

NC-COC-003977
RA-COC-003977

FSC License Code

FSC® C016743


Laura Terrall Kohler
Director, NEPCon Assurance
Filosoofi 31, Tartu
Estonia

Specific information regarding products and sites is listed in the appendix(es) of this certificate.
The validity and exact scope covered by this certificate shall always be verified at www.info.fsc.org.

FSC® A000535 | The mark of responsible forestry | www.ic.fsc.org

This certificate itself does not constitute evidence that particular product supplied by the certificate holder is FSC® certified [or FSC Controlled Wood]. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC claim is clearly stated on invoices and shipping documents. The physical printed certificate remains the property of NEPCon OÜ and shall be returned upon request.



Annex A: Scope of Atlantic Corporation of Wilmington, Inc.
FSC® Chain of Custody Certificate
NC-COC-003977
RA-COC-003977

Product Type	Trade Name	Output FSC Claims
P2.1	FSC Mix and FSC Recycled paper and paperboard, in rolls and sheets	FSC Mix Credit; FSC Recycled
P3	FSC Mix and FSC Recycled paper and paperboard, in rolls and sheets	FSC Mix Credit; FSC Recycled

This certificate itself does not constitute evidence that particular product supplied by the certificate holder is FSC® certified [or FSC Controlled Wood]. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC claim is clearly stated on invoices and shipping documents. The physical printed certificate remains the property of NEPCon OÜ and shall be returned upon request.

Certificate version date: 29-03-2019

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Annex B: Scope of Atlantic Corporation of Wilmington, Inc.
FSC® Chain of Custody Certificate
NC-COC-003977
RA-COC-003977

No	Site Name	Address	Sub-code
1	Atlantic Corporation of Wilmington - site	3900 Spring Garden Street Greensboro, North Carolina 27417 United States	N/A

This certificate itself does not constitute evidence that particular product supplied by the certificate holder is FSC® certified [or FSC Controlled Wood]. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC claim is clearly stated on invoices and shipping documents. The physical printed certificate remains the property of NEPCon OÜ and shall be returned upon request.

Certificate version date: 29-03-2019

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**SCOPE OF
CERTIFICATION:**

The multi-site chain of custody processes and practices at the central office in Greensboro, NC, and three paperboard converting plants/warehouses in Summerville, SC, Greensboro, NC and Sturgis, MI.



Chain of Custody

PricewaterhouseCoopers LLP has assessed whether the Chain of Custody process at

Atlantic Corporation of Wilmington, Inc.

3900 Spring Garden St, Greensboro, NC 27407

is suitably designed to provide reasonable assurance that the requirements of the standards noted below (the Requirements) have been met, as of February 27, 2020.

Sustainable Forestry Initiative® (SFI) 2015-2019 Chain of Custody Standard

PEFC™ International Standard – Chain of Custody of Forest Based Products – Requirements (PEFC ST 2002:2013)

Management is responsible for ensuring the Chain of Custody process meets the Requirements. Our responsibility is limited to expressing an opinion as to whether the Requirements were met, based on our assessment. The SFI standard can be found at **www.sfiprogram.org**. The PEFC standard can be found at **www.pefc.org**.

Our assessment was conducted in accordance with the ISO 17021 and ISO 17065 conformity standards, and accordingly, included examining, on a sample basis, evidence supporting management's assertion that the Requirements were met and performing such other procedures as we considered necessary in the circumstances. We planned and performed our work in order to obtain limited, rather than absolute, assurance with respect to the information examined. We believe our work provides a reasonable basis for our opinion.

In our opinion, the Chain of Custody process was suitably designed to provide reasonable assurance that the Requirements were met, in all material respects, as of February 27, 2020.

PricewaterhouseCoopers LLP

**PricewaterhouseCoopers LLP
Vancouver, Canada**

Certificate No.

PwC-SFICoC-275

Date of Original Certification

PwC-PEFC-275

Date of Current Certification

March 18, 2008

Date Certification Expires

June 3, 2022

February 22, 2023

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IV. Promoting A Sustainable Workforce

Atlantic Packaging is dedicated to cultivating a strong internal culture within our workforce. We believe that supporting our employee culture is central to a healthy, sustainable, and productive work environment. We promote several company-wide programs for sustained growth as well as on-demand initiatives in response to emergencies and current events.

1. Pathway to \$15

Atlantic implemented a program in 2020 to offer \$15/hour minimum wage company-wide in order to promote inclusive and sustainable economic growth. Management created a performance-based PATHWAY TO \$15 initiative encouraging entry-level employees to earn their way to \$15 per hour within their first year of hire. As part of this initiative, Atlantic also offers a detailed and performance-based accelerated advancement for those current employees below \$15 to reach this wage level.

2. Wellness Program

Atlantic Packaging launched a Wellness Program in 2013 that started with a voluntary, fun, incentivized step challenge to encourage healthy and regular movement for employees throughout the company. The Wellness Program has grown and evolved into a robust offering that includes discounted health insurance premiums for participation in initiatives such as health coaching, step challenges, weight loss competitions, and mindfulness workshops. Additionally, the program focuses on education and connection through a wellness podcast and monthly newsletter. There is also a thread of community and giving woven into the program that encourages each branch to get involved locally by hosting blood drives and an annual charity event.

Learn more at wellness.atlanticpkg.com.

3. Clean4Change Challenge

As part of our membership in the Alliance to End Plastic Waste, Atlantic participated in their Clean4Change Challenge. This is a global campaign to encourage people from all walks of life to participate in the act of cleaning up. The mission is to impart the idea that every cleanup is more than just a cleanup. Every piece of litter we pick up has an impact, and we can be part of the movement to bring about change. Employees use the Litterati app and join with an Atlantic challenge code to track their pickup activity and compete for a spot in the top ten participants globally. The Clean4Change Challenge goal is achieve 500,000 litter pickups.



CLEAN4
CHANGE

4. Storm Relief

Several of our branch locations are located in coastal areas where hurricanes are known to make landfall. Many Atlantic employees live in these areas while others live in areas susceptible to windstorms, tornadoes, or floods. We've experienced firsthand the devastation that a natural disaster can cause. At these times, employees and management come together quickly and powerfully to provide financial relief as well as relief in the form of supplies, aid, and emotional support to help those affected.

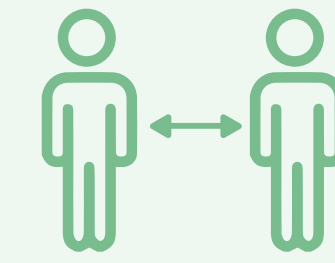


5. COVID-19 Response

The COVID-19 pandemic has affected individual people, families, businesses, and communities throughout the world. Every entity has been challenged with how to best to respond to the pandemic in a way that keeps everyone safe and supported. As an essential business supporting the supply chain for hundreds of customers, a manufacturer of essential packaging supplies, and an employer of over 1,000 employees across the US and the Caribbean, Atlantic was swift to respond, communicate, and make changes based on what was needed in all of these areas.

Atlantic's COVID-19 response included extensive and detailed communication from our senior management to employees and customers; pivoting to source and supply critical PPE supplies for our customers and employees; implementing a work-from-home policy supported by software and technology to keep us connected and communicating successfully both internally and externally; and maintaining a reliable supply chain for our essential business customers.

Learn more at atlanticpkg.com/covid-19-response/.





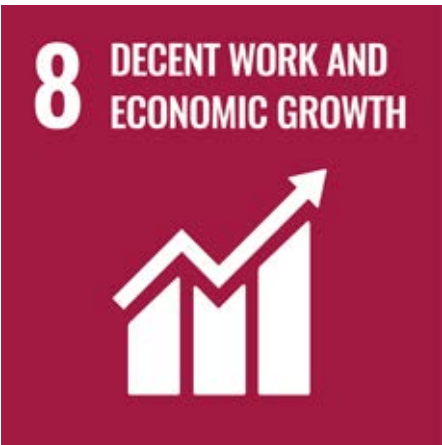
V. Goals for Fostering A Better Planet

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

Our goals include:



Promoting the use of affordable, reliable, sustainable, and modern energy by transitioning to solar power and electric vehicles



Supporting our workforce with a company-wide \$15/hour minimum wage along with a comprehensive Wellness Program that includes step challenges, weight loss challenges, mindfulness workshops, a wellness podcast, and a monthly newsletter



Ensuring sustainable consumption and production patterns by establishing circular systems in B2B packaging and encouraging more sustainable consumer-destined packaging



Taking action to combat climate change and its impact by reducing greenhouse gas emissions



Conserving the oceans, seas, and marine resources by sourcing more sustainable packaging products and spreading awareness and education around this topic



Protecting our forests through certified sustainable forest management practices that also work to preserve water quality, biodiversity, wildlife habitat, and species at risk



Joining in global partnerships for sustainable development by investing in dedicated projects to promote sustainable packaging, end plastic waste in our environment, and protect our forests

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 as outlined above. **Our focus is on areas where we can make the most significant positive impact, primarily with the packaging programs and products we bring to market for major consumer packaged goods (CPG) companies.**

1. CDP

Atlantic is committed to a sustainability and climate action 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 in 2020, we were awarded a B- score. This represents a significant improvement over previous years and is much higher than our peer group.

CDP takes progress into consideration and Atlantic is committed to the path they have created. We aspire to be included on the their list of “A-Rated Companies.”

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

2. Science-Based Target Initiative (SBTI)

Atlantic Packaging has set intermediate and long-term emissions and climate-related targets. Based on our 2019 baseline, Atlantic Packaging pledges to reduce Scope 1 and 2 market-based emissions by 50% by the year 2030 as an intermediate target. Our long-term target is to reduce Scope 1 and 2 market-based emissions by 85% by the year 2040 based on our 2019 baseline. We have a target to achieve net-zero emissions by 2050 across the value chain.

In November 2019, Atlantic publicly committed to setting a science-based target. We anticipate these targets being approved by SBTi in early 2022.

3. Supplier Sustainability Summit

In May 2021, Atlantic Packaging hosted our inaugural Supplier Sustainability Summit. During this virtual live event, we introduced concepts, practices, and products to our supplier base with the goal of encouraging more sustainable practices within their own companies. We outlined our own position, including our Climate Pledge, and the actions we’ve taken as a company to become more sustainable. We brought in guest speakers to address topics ranging from corporate sustainability planning and strategy, to culture and leadership, on-site solar energy, and circular packaging. We addressed the critical importance of collaboration and how we will make measurable improvements when all of us in the packaging supply chain are working together.

In our discussion of our Climate Pledge during the Summit, we reviewed emissions scopes and how the majority of Atlantic’s GHG emissions stem from our Scope 3 emissions, including our suppliers’ emissions in producing the products we sell. As part of our initiative to address our Scope 3 emissions, we followed the Summit with a meeting with each supplier company that attended the summit to better understand their current status of measuring and reporting GHG emissions.

Atlantic has partnered with Guidehouse to offer our suppliers the opportunity to participate in the Supplier Leadership on Climate Transitions (S-LoCT) Program, developed in collaboration with PepsiCo, Mars, and McCormick. This comprehensive program helps suppliers benchmark their current climate action maturity and then join monthly seminars to learn how to measure GHG emissions, report progress, and set reduction targets. Atlantic offered to contribute towards the enrollment fee for each attending supplier as a symbol of our commitment to helping our suppliers begin the climate journey.

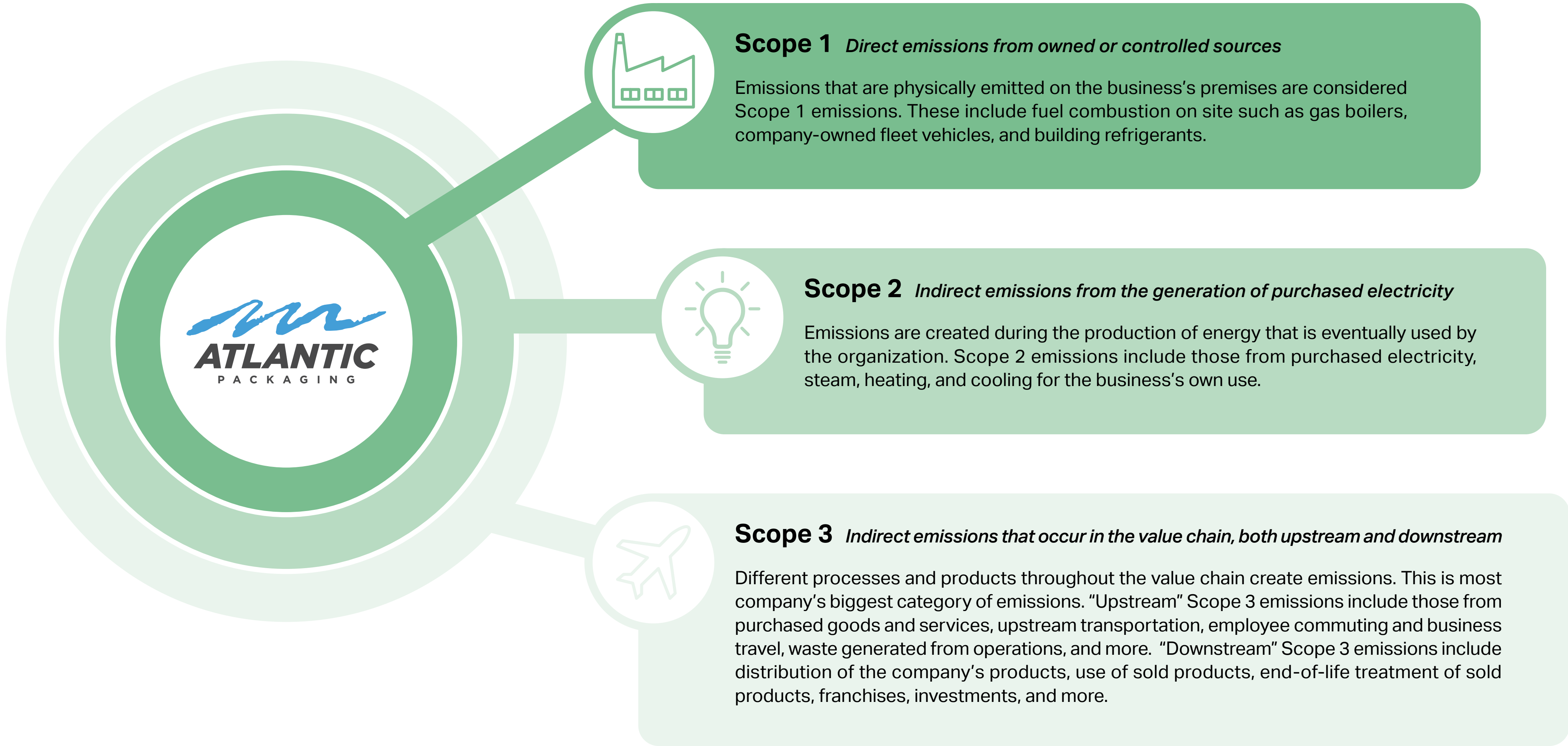
Several of Atlantic’s key suppliers who are newer to measuring emissions will be participating in S-LoCT beginning in September 2021. Other suppliers who have previously measured emissions have committed to providing Atlantic with emissions data so that we can have a more complete picture of our Scope 3 emissions in the future.

This engagement with suppliers is critical to Atlantic’s success in generating an accurate picture of our GHG emissions, and more importantly, in understanding how to reduce them. Additionally, we are leveraging our strong relationship with our suppliers to influence them to measure and report their own emissions.



a. Summary of Emissions Scopes

In 2019, Atlantic measured our Scope 1 and 2 emissions, and in 2020, we estimated our Scope 3 emissions for the first time. In 2021, we have been engaging our suppliers to capture their emissions data — our Scope 3 — more accurately and encourage them to reduce their greenhouse gas impact.



b. About LoCT

The Supplier Leadership on Climate Transition (S-LoCT) is a knowledge platform and brand collaborative to collectively reach net zero emissions by 2050.

The Goals of S-LoCT are to:

1. **Standardize** supplier action on climate change

1.

2. Help suppliers **inventory, track, and report** GHG emissions

2.

3. Facilitate and accelerate supplier **knowledge acquisition**

3.

4. Reward, **recognize**, and incentivize suppliers

4.

5. Enable brand and supplier **collaboration** for the Food & Beverage Processing sector

5.

S-LoCT is aligned with Global Initiatives:



and Endorsed by:



VI. Baseline Measurements

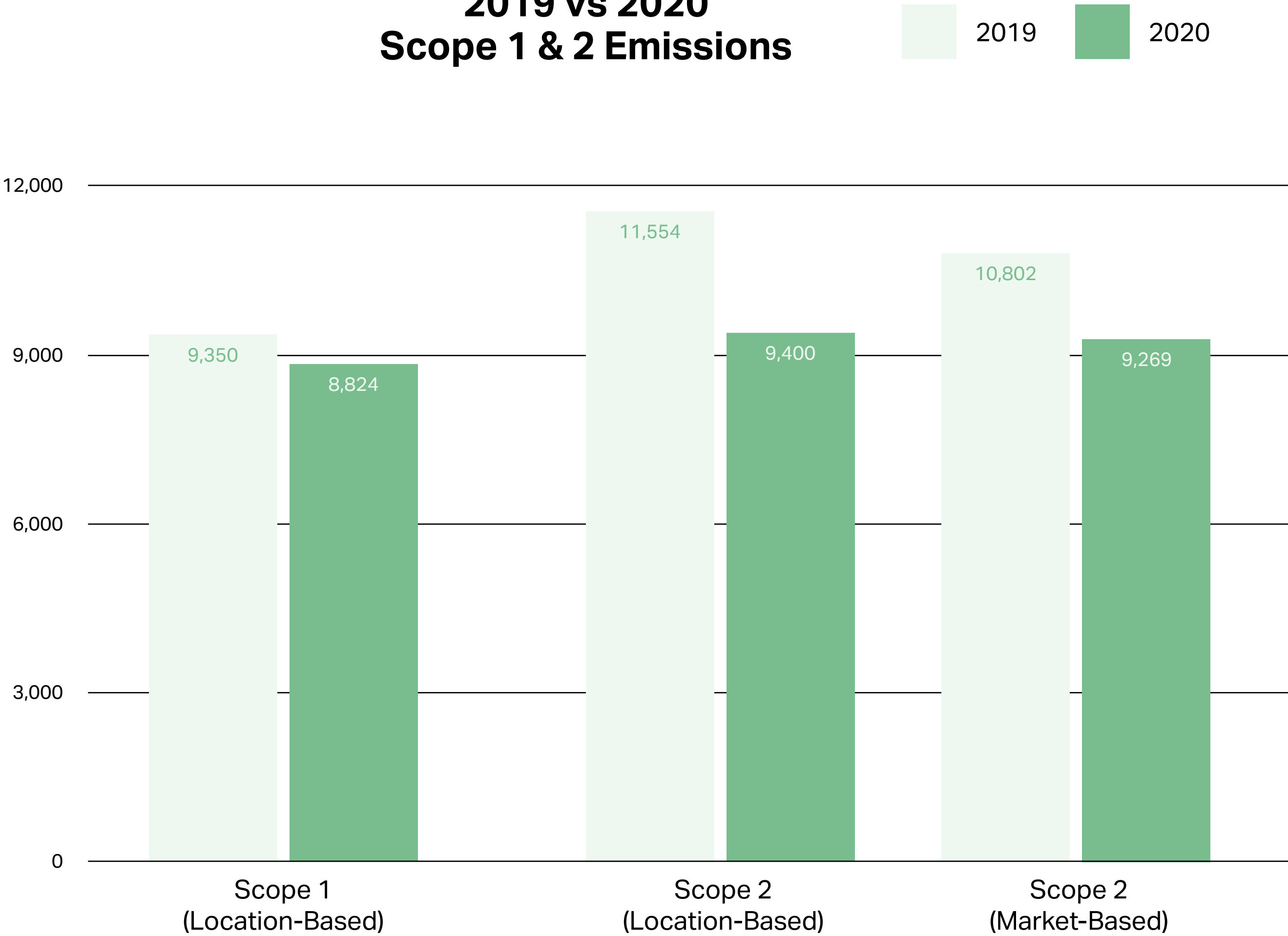
In 2019, Atlantic measured our baseline consumption and operations to have a clear understanding of our performance and opportunities for improvement. The following are the areas we measured and the results from this analysis.

1. Scope 1 & 2 Emissions

In 2020, Atlantic reduced our Scope 1 + 2 emissions by 10.22%. 2019 and 2020 numbers are in the graphs below.



2019 vs 2020
Scope 1 & 2 Emissions

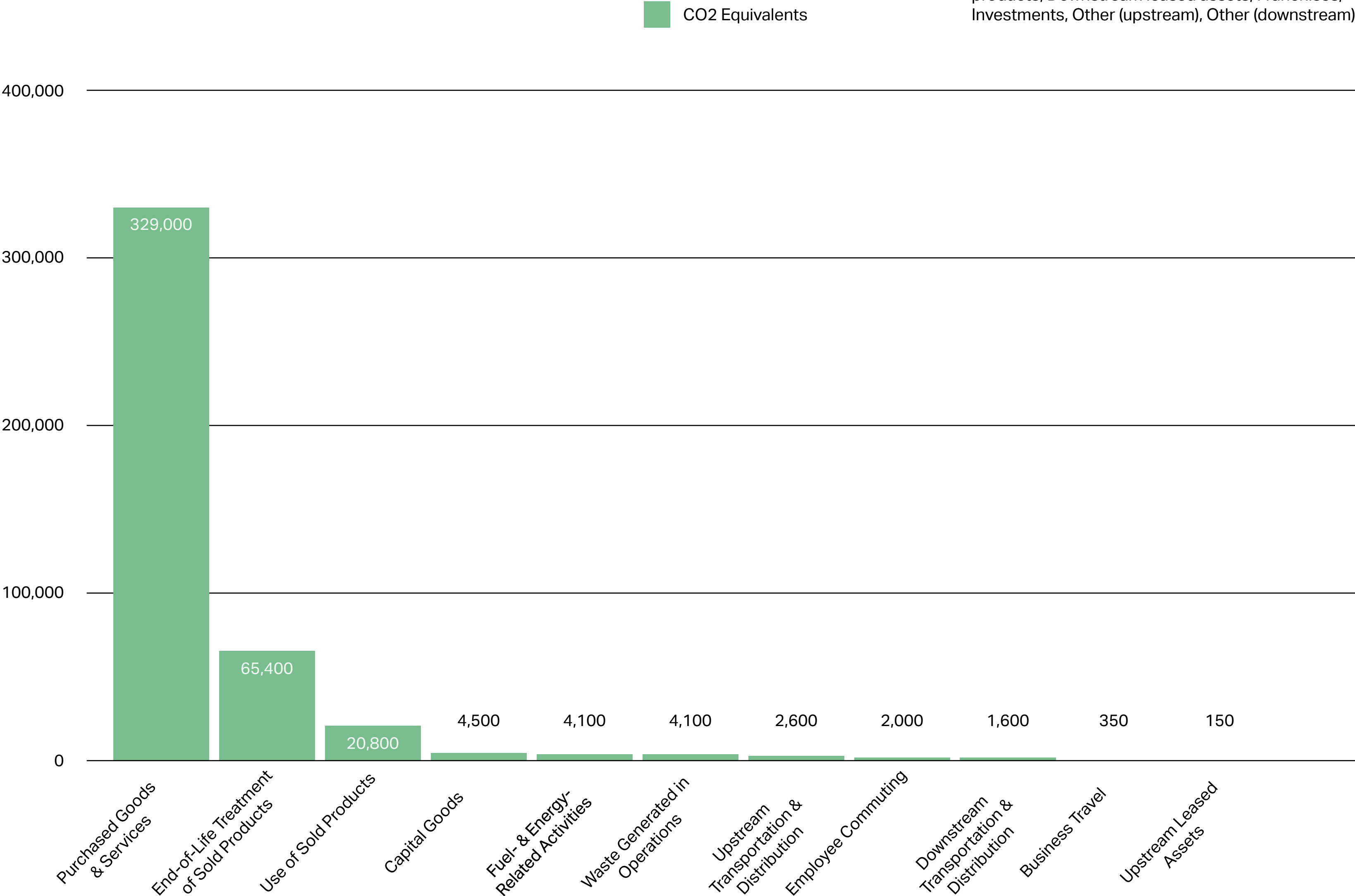


2. Scope 3 Emissions

2020 was the first year that Atlantic quantified Scope 3 emissions. In 2020, our Scope 3 greenhouse gas emissions (CO2e) were 434,600 metric tons.

2020 Scope 3 Emissions

Note: Scope 3 Categories Determined to be Not Relevant to Our Operation: Processing of sold products, Downstream leased assets, Franchises, Investments, Other (upstream), Other (downstream)



3. Verification

In 2021, Atlantic engaged with Apex to verify our Scope 1, 2, and 3 emissions. The report from Apex on our successful verification is below:



VERIFICATION OPINION DECLARATION
GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Atlantic Packaginging

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Atlantic Packaging for the period stated below. This verification declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Atlantic Packaging. Atlantic Packaging is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Financial Control
- Worldwide

Types of GHGs: CO₂, N₂O and CH₄

GHG Emissions Statement:

- Scope 1:** 8,824 metric tons of CO₂ equivalent
- Scope 2 (Location-Based):** 9,400 metric tons of CO₂ equivalent
- Scope 2 (Market-Based):** 9,269 metric tons of CO₂ equivalent
- Scope 3:** 434,600 metric tons of CO₂ equivalent

Purchased Goods & Services: 329,000 metric tons of CO₂ equivalent

Capital Goods: 4,500 metric tons of CO₂ equivalent

Fuel- and Energy-Related Activities: 4,100 metric tons of CO₂ equivalent

Upstream Transportation and Distribution: 2,600 metric tons of CO₂ equivalent

Waste Generated in Operations: 4,100 metric tons of CO₂ equivalent

Business Travel: 350 metric tons of CO₂ equivalent

Employee Commuting: 2,000 metric tons of CO₂ equivalent

Upstream Leased Assets: 150 metric tons of CO₂ equivalent

Downstream Transportation and Distribution: 1,600 metric tons of CO₂ equivalent

Use of Sold Products: 20,800 metric tons of CO₂ equivalent


End-of-Life Treatment of Sold Products: 65,400 metric tons of CO₂ equivalent

Data and information supporting the Scope 1 and Scope 2 GHG emissions statement were historical in nature.

Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature.

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Period covered by GHG emissions verification:

- January 1, 2020 to December 31, 2020

Criteria against which verification conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

Reference Standard:

- ISO 14064-3 Second edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Atlantic Packaging;
- Review of documentary evidence produced by Atlantic Packaging;
- Review of Atlantic Packaging data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions at Atlantic Packaging during site visits to facilities in Charlotte, NC and Greensboro, NC; and
- Review of Atlantic Packaging data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by Atlantic Packaging to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (**Scope 1 and 2**), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (**Scope 3**).

It is our opinion that Atlantic Packaging has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

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No member of the verification team has a business relationship with Atlantic Packaging, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:



Joe Winslow, Lead Verifier
Associate
Apex Companies, LLC
Atlanta, GA



Chris Ostermann, CPEA
Division Manager - Technical Reviewer
Apex Companies, LLC
Atlanta, GA

July 9, 2021

This verification statement, including the opinion expressed herein, is provided to Atlantic Packaging and is solely for the benefit of Atlantic Packaging in accordance with the terms of our agreement. We consent to the release of this statement by you to CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.

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4. Energy Efficiency

In 2019, Atlantic began a transition to **energy-efficient halogen lighting** in all facilities (25 unique operations). This initiative was complete in Q1 2021, and current estimates show an annual **reduction of 290 tons of carbon.**

5. 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. Our goal was to offset 50% of all carbon emissions from our internal operations (Scope 2 emissions). The goal for the carbon offset is over 5,000 tons of carbon annually. The current scope of the solar investment will be in excess of 4.2MW of solar infrastructure at eight unique operations. This aggregate system will produce 4.5 million kWh of renewable energy annually.

We currently have installation in progress at our facility in Summerville, SC. We have permitting received and are under construction at our facility in Charlotte, NC. We are under construction at our facility in Boca Chica, Dominican Republic. Interconnection applications have been submitted for our facility in Tabor City, NC.

6. Renewables in Logistics and 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 viable options for powering our fleet of delivery trucks. We have made deposits on ten Tesla semi trucks which are tentatively slated to arrive in 2022. We will continue to assess this technology and our ability to expand this throughout our fleet. We are also transitioning to electric vehicles for company-owned passenger cars. In 2021, we purchased one Tesla vehicle and one hybrid vehicle with orders placed for three additional hybrids. We installed two electric charging stations in Youngsville, NC and four stations in Charlotte, NC to support these vehicles.

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

7. Internal Recycling Program

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

On Earth Day 2021, Atlantic introduced its **Zero Waste Campaign.** This is our commitment as a company to divert valuable resources from entering the landfill and our environment. We are implementing systems to reduce, reuse, and recycle materials throughout our offices and facilities including wood, corrugate, stretch film, paper, and mixed recyclables. We assigned a Zero Waste Director to oversee the program on the company level as well as branch-level “Zero Waste Champions” to oversee the implementation at each of our facilities. In an effort to reduce and reuse, we also issued reusable cups and lids suitable for hot and cold beverages to every employee at the company with strong encouragement to use this both at work and at home in order to avoid using disposable, single use cups.

In 2021, Atlantic Packaging will begin tracking and publishing our internal waste metrics.

8. Water Stewardship

Global water supply is a resource that’s being increasingly threatened. One third of the global population lives in areas with water shortage, 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 17,000 cubic meters annually. We understand that every gallon matters, and we have engaged with our individual facilities to implement process improvements.



VII. 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 tenet of 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.

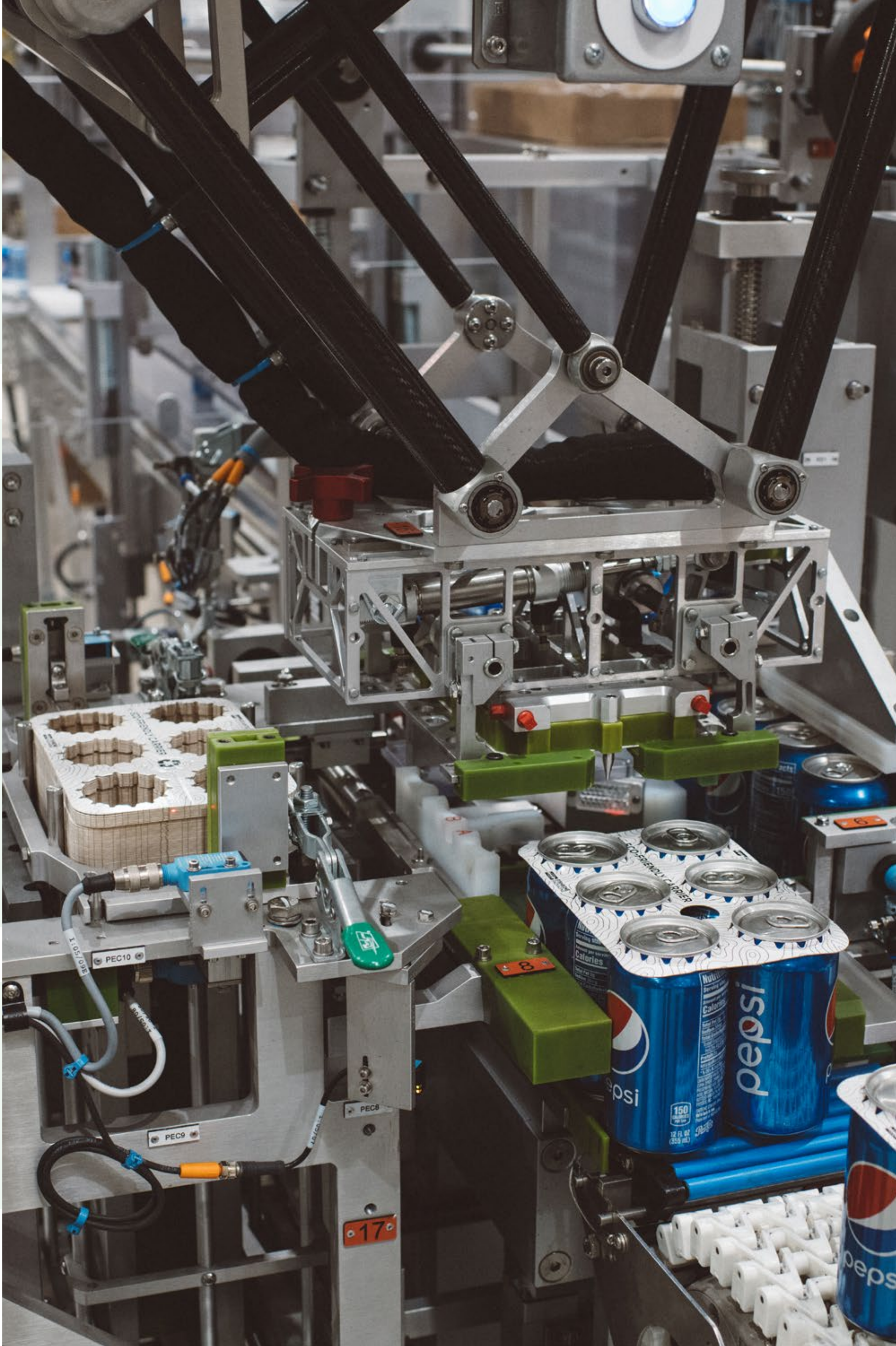
Monitoring & Standardization

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

4.

Closed-Loop Systems

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





VIII. 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 baled 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 truckloads of baled, 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 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 adding PCR content into packaging products, we do not sacrifice packaging efficiency (e.g., 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 100% curbside recyclable, compostable beverage carrier. Learn more at fishbone.com.
- **Curbside Recyclable Mailers** - we offer options of 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 e-commerce shipments. Learn more at sealedair.com/products/protectivepackaging/inflatable-packaging-air-pillows

IX. 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>

