

American Packaging Corporation 2016 Sustainability Overview

- Social/Economic
- GHG Emissions Goal Setting/Tracking
- Waste Reduction/Recycling
- Materials/Suppliers
- Sustaining Sustainability



Principles of APC Sustainability Program

American Packaging sustainability program is a fundamental part of long-term profitability and viability of our company and is a natural outgrowth of our Core Values. APC's goals are to be accountable and responsible for our actions while remaining focused on improving the environment for future generations through, working with our employees, funding education support, continuing internal research, preserving natural resources, minimizing waste and continually evaluating its manufacturing operations and suppliers for efficiencies and reduction of environmental impacts.

APC Sustainability Safety & Education



▶ APC Safety

- ▶ 2016 - OSHA Total Case Incident Rate (TCIR) ~25% < Industry, Days Away/Restriction Time (DART) ~50% < Industry
- ▶ All Employees are trained and practice the DuPont STOP® Observation Program promoting engagement, involvement, while recognizing safe acts and eliminating unsafe acts & conditions
- ▶ Third party audits are routinely scheduled focusing on risk assessments, risk elimination and eliminating employee exposures, while protecting APC assets
 - ▶ Air Quality, Noise Levels, Static Dissipation, Process Safety Management, Fire Suppression, Flammable Handling/Storage, B&M Loss Prevention & Risk Reduction
- ▶ Adhere to GFSI Food Safety Systems: IA: FSSC 22000:2013, WI and NY: SQF level 2
- ▶ Full-time Safety Managers at all APC Centers of Excellence
- ▶ Capital safety budgets have averaged ~\$1.9MM annually for the last five years
 - ▶ Static elimination, Ergonomics - print plate/sleeve washers, powered cylinder/unit carts, Third Party Surveys - Fire & Peril, Building & Equipment audits

▶ APC Employees - dedicated to the APC way

- ▶ Participating in training & educational programs with opportunities for internal company advancements including operator technical training for process control
- ▶ Employee Action Teams, focused, engaged, involved in challenging opportunities & continuous improvement processes

▶ APC Internship Programs

- ▶ Career development internships for packaging engineers, printing & graphics careers, IT opportunities. With RIT, ISU, Clemson, UW-Stout, Western Michigan and through the FPA and FTA organizations



APC Sustainability Research



- ▶ APC Partnerships, support and collaboration
 - ▶ Through a collaborative partnership between RIT (Rochester Institute of Technology), The Wegman Family Charitable Foundation and APC an education and research center was created to accelerate the development of realistic solutions in sustainable packaging
 - ▶ Sponsors and guides RIT research and development of material through education and workshops on packaging and sustainability
 - ▶ On-going work with Suppliers to develop new variables of material
 - ▶ Member of Flexible Packaging Association (FPA) efforts in sustainability
 - ▶ Sustainable Packaging Coalition (SPC): Focus on sustainability initiatives
- ▶ APC Center for Packaging Innovation:
 - ▶ APC's onsite center for structure development, source reduction, inclusion of renewable content, or end of life advancements on customer specific projects
- ▶ APC has registered its sustainable footprint on Ecodesk website



APC Sustainability How We Act

Code of Conduct

The American Packaging Corporation family believes in the highest level of integrity and ethics in the way we conduct business. This applies to our customers, employees and supplier relationships which has been a cornerstone in our culture since 1902 and is an essential ingredient in our future success.

At APC we conduct our business with honesty and integrity, and we expect our business partners' values and business practices to mirror ours. APC maintains relationships with customers and suppliers who share our commitment to:

1. Protection of human rights of employees and the treatment of all employees with dignity.
2. Creation of safe working conditions and a healthy work environment for all workers.
3. Stewardship of the environment and an ongoing effort to reduce the environmental impact of operations.
4. The highest standards of ethical conduct and compliance with fair business practices.

These expectations and commitments are contained in this Code of Conduct (the “Code”).

APC expects its partners to meet or exceed our expectations set forth in this Code and believe that through a true partnership with customers and suppliers we will consistently build on our respective principles. This Code applies to all APC Centers of Excellence, as well as others with whom they do business. Our partners will ensure that the Code is communicated to its employees and subcontractors in a manner understandable to all.

When local laws are less restrictive than the principles set forth by APC, we expect our partners to follow our principles. Conversely, when local laws are more restrictive than our principles, we expect our suppliers to follow local laws.



APC Sustainability Recognitions



- ▶ Printing and Industries of America “Best of the Best “ workplaces
 - ▶ Nine time recipient of this award which recognizes companies exemplary human resources practices, that have established a superior, long time commitment to the needs of its employees as well as the continual improvement of their business
- ▶ Rochester NY, Top 100 Companies
 - ▶ A Top 100 Company for the twelfth time, largest manufacturing firm and 3rd oldest to be recognized. “Dynamic privately-owned businesses with contributions to growth and success of the entire community.” Represents the fastest-growing privately held companies headquartered in Rochester with Sales over \$1MM annually
- ▶ Other Recognitions:
 - ▶ All APC Centers of Excellence are - ISO 9001 Registered & ISO 14001 EMS registered
 - ▶ Rochester recognized as “Gold-Level-Fit-Friendly Worksite” by the American Heart Association
 - ▶ APC has won the Sonoco Sustainability Award 2014, 2015 and 2016
 - ▶ Wisconsin & New York have completed the 4-pillar SMETA assessment (Sedex Members Ethical Trade Audit)



APC Sustainability Community Support and Social Involvement

- ▶ APC in collaboration with its employees and suppliers, supports the Hole In The Wall Gang Camp and Big Apple Fund Raiser
 - ▶ Raising over **\$1.6MM** in 2016 giving chronically ill children and their families the opportunity to attend the camp without charge
 - ▶ APC employees and their family members, including APC's CEO Peter Schottland, have volunteered a week of their time as camp councilors working directly with campers during activities and camp events
 - ▶ APC along with LiDestri Foods Chairs the Annual Big Apple Bash in NYC held yearly to gather donors and camper families together for an evening of fun and themed festivities



*Hole in the Wall Gang Camp Founder
Paul Newman with the kids*

Support of National and Local agencies and efforts:

United Way Champaign

Salvation Army

Local Food Drives and Food Banks

Iowa Lutheran Services

Rochester Compeer Program

Breast Cancer Awareness

Red Cross Blood Drives

Local Volunteer Fire Departments &

First Responders

Ronald McDonald House

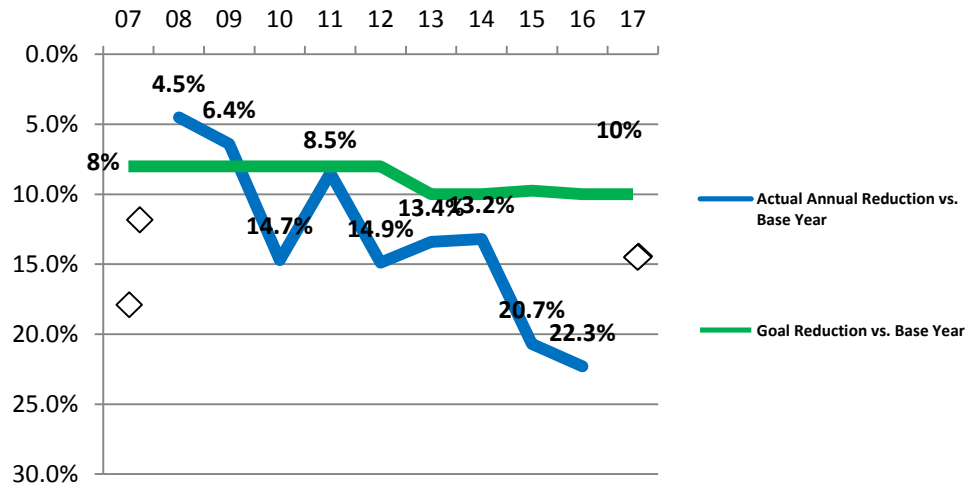
Adopt a Highway program



APC Sustainability GHG Emissions



- ▶ GHG Emissions goals & reduction efforts, scope 1 & 2 emissions
- ▶ Over 22% Improvement since 2007 base year emissions (converted to CO2 equivalents normalized to production footages)
- ▶ Annual tracking GHG emissions as part of GMP and support of emissions reductions



CO2/Linear Ft Reduction Goals



APC Sustainability Recycling



2016 Solid Waste Summary

Waste Recycle/tons	80%
Waste to Landfill/tons	10%
Waste Producing Energy/tons	10%
% Waste Saved from Landfill	90%

Recycling Mixed Plastic has a net Emissions Impact of -1.5 MTCO₂E/short ton – EPA's Waste Reduction Model

- ▶ ~ 1680 tons of scrap destined for energy generation
- ▶ Auto Core Cutting & Core Tapping reducing scrap while maximizing core tube output
- ▶ Auto Baling and scrap shredding equipment in place to assist in reduction of solid waste to landfill
- ▶ Recycling
 - ▶ 80% of waste Recycled/ 10% waste to landfill
- ▶ Each APC location purchases up to 15% renewable energy from local suppliers.



APC Sustainability Suppliers



- ▶ Major Suppliers must sign and comply with APC's Code of Conduct:
 - ▶ Human Rights and Labor (including child labor section 1502 Frank Dodd Act)
 - ▶ Create Safe Working Conditions and Healthy Work Environment
 - ▶ Environmental Stewardship
 - ▶ Business Conduct and Ethics
 - ▶ Monitoring and Compliance
- ▶ Maintains a formal supplier diversity program with specific goals for maintaining and growing spend recognizing 133 MBE/WBE companies
 - ▶ Of which 68 are MBE/WBE certified
 - ▶ ~8% MBE/WBE spend of total spend
 - ▶ APC is a member of : Wisconsin, Iowa and Central Illinois, Minority Supplier Development Council an affiliate of the National Minority Supplier Development Council
- ▶ Conducts Quality and Food Safety Audits with existing and new suppliers
- ▶ APC chooses suppliers:
 - ▶ That display our shared values in commitment to the environment, safety, health and well-being of employees and the communities and world in which we operate
 - ▶ Active Carbon emission reduction programs, energy usage reduction programs, reuse of byproducts, recycling programs, continuous improvement goals, safety initiatives
 - ▶ APC's largest paper purchase volumes come from renewable paper resources from suppliers recognized for their responsibly managed fiber



APC Sustainability Sustaining Efforts



- ▶ GHG Emissions: Annual data collection and tracking of levels against goals
- ▶ Reduce, Recycle, Reuse: Maintain successes while continuing to search future opportunities in reaching and sustaining zero landfill
- ▶ Transportation: Smartway Shipping Program of outbound carriers EPA certified are used
- ▶ Leadership Participation: over 55% of corporate vehicles are Hybrid helping reduce CO2 emissions
- ▶ Capital Budgets: include environmental & sustainability projects
- ▶ Robotic Material Movers vs. traditional electric and propane powered trucks
- ▶ APC Center for Packaging Innovation: internal group working on reduction, renewable content, end of life advancement projects.
- ▶ Plant wide activities and education for employees' understanding environmental impacts at work and at home and the role of APC in the environment
- ▶ Conservation Challenge Program: Employees participate by submitting ideas for projects that increase efficiency, reduces waste, and lessens environmental impacts
- ▶ ISO 14001 EMS: Maintain certification through annual survey audits



APC Sustainability Sustaining Efforts



- ▶ APC Centers recognized for Zero Landfill:
 - ▶ APC's Center of Excellence in Columbus WI achieved 100% zero landfill in 3rd quarter 2015.
 - ▶ APC's Center of Excellence in Rochester NY achieved 100% zero landfill in 4th quarter 2016.
 - ▶ APC's goal is to have all Centers of Excellence at zero landfill goal by YE 2017.
- ▶ Third Party Audits validate activities and identify opportunities for improvements while recognizing industry best practices in energy reduction
- ▶ Other:
 - ▶ Internal audits focus on:
 - ▶ Identifying opportunities to have a positive impact on energy efficiency and pollution prevention with equipment and materials
 - ▶ Air compressor audits identifying/eliminate leaks
 - ▶ Waste Water reuse opportunities
 - ▶ Building upgrades that incorporate natural light via skylights and perimeter windows
 - ▶ Shredding, baling, core cutting and recycling equipment
 - ▶ Opportunities to convert waste to energy
 - ▶ VOC reduction



APC Sustainability Reinvestment



- ▶ Over the last ten years, APC has invested over \$240MM in new capital equipment and facility upgrades demonstrating its confidence in our position in the industry and commitment to expanding our business
 - ▶ \$18MM expansion completed in Wisconsin 4th quarter 2014
 - ▶ \$10MM expansion completed in Iowa 1st quarter 2015
 - ▶ \$43MM expansion completed in Iowa 4th quarter 2016
 - ▶ \$50MM new facility expansion began in Wisconsin 2nd quarter 2016
 - ▶ \$58MM new facility BOD approved to begin in New York 2nd quarter 2017
- ▶ The three pillars of sustainability are incorporated into each expansion project by understanding all environmental, social, and economic aspects of the project
 - ▶ Using local contractors and creating new job opportunities results in a positive influence on the community and the economy
 - ▶ APC hired 190 new Full-Time positions in 2016 to support added capacity
 - ▶ New equipment (presses, laminators and slitters) with state of the art high efficient controls, components & electronics reducing energy demand
 - ▶ Natural lighting, high efficiency lighting, energy efficient insulation, alignment of equipment to support automation, increased use of robots



American Packaging Corporation Sustainability Mission Statement

To View

environmental responsibility as an integral part of principled corporate citizenship and as an essential element in the products manufactured, materials procured, and processes incorporated into our research and development activities.

To Enrich

our sustainability competence in the areas of reducing, renewing, reusing and recycling materials and all related by-products.,



To Communicate

cost-effective solutions, technological advances, improved product performance and environmentally responsible developments to our valued customers.

To Identify

ways to effectively integrate economic progress, social development and environmental concerns to ensure an improved quality of life for future generations.