

A Message From Our President



Altium Packaging is a leading provider of plastic packaging solutions and a leader in the recycling of HDPE plastic for the production of post-consumer resin (PCR). In both businesses, we have set the standard for sustainable plastics manufacturing. We are committed to environmentally responsible plastic manufacturing and recycling.

At Altium, we articulate our culture through seven Guiding Principles (see appendix), which govern the way we conduct business and interact with our customers, co-workers and communities.



The first Guiding Principle - Act with Integrity & in Compliance - means that we comply with all laws and regulations relating to the environment, to social issues and to matters of governance - known together as ESG. But compliance is merely the baseline; we seek to do more than merely comply but instead to address each of these areas with excellence. The people who depend on us deserve nothing less.



The second of our Guiding Principles - Drive Value Creation - compels us to eliminate waste and pursue environmental excellence. It has fostered a culture that values human life first, attracts and rewards high performers, and creates value for our customers, our teammates, the communities in which we operate and ultimately for society.

With these two Guiding Principles alone, we have been pursuing an ESG strategy since long before such terminology existed. Our commitment to ESG is amplified further by the other five Guiding Principles.



Focus on the Customer means that we constantly strive to support our customers' needs, and in the ESG context, that means support for our customers' increased focus on sustainable solutions.



Treat Others with Dignity & Respect motivates us to embrace diversity and inclusion.



Act with Humility stimulates us to collaborate and leverage the best knowledge available to ensure best practices in governing our organization.



Be Disciplined Entrepreneurs leads us to embrace change and take action to improve our company.



Seek Fulfillment in Your Work reminds us to help teammates achieve greater job satisfaction and create a workplace in which employees can maximize their potential.



ESG standards are particularly important for a company in our industry. Plastics has come under intense scrutiny in recent years, but we believe such criticism has not been grounded in fact. As McKinsey & Co. demonstrated in a seminal report¹ published in 2022, plastics contribute lower levels of greenhouse gases to the environment than most alternatives.

Beyond that, plastic packaging has other environmental and social benefits compared to other materials. For example, most plastic containers are reusable, and plastic packaging enables a longer shelf life, which reduces food waste.

It is important for our stakeholders - customers, employees, regulators, and others - to understand how Altium seeks to fulfill its commitment to ESG principles as a business, employer, and corporate citizen. I am therefore delighted to publish this report, Altium's first ESG report, which represents a baseline against which we will report annually going forward. We are committed to continuing to develop our ESG-related initiatives in the future, and I would like to thank all of our teammates who are working on our ESG efforts.

¹ Climate impact of plastics, McKinsey & Co, July 2022



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Reduce



We are reducing the amount of resin we use by producing lightweight containers, with innovative product designs and by focusing on efficient manufacturing processes that eliminate waste.



Our Dura-Lite® suite of lightweight packaging significantly reduces the amount of plastic (i.e., resin) we use to make a bottle and the energy used to manufacture that bottle. Compared with traditional offerings, **Dura-Lite® uses** 15-20% less resin while maintaining or even improving strength and performance attributes.

Since 2016, we have produced 2.2 billion Dura-Lite® bottles which has saved approximately 14,061 Mt of virgin plastic and lowered CO2 emissions by 22,000 Mt, which roughly equates to the CO2 generated by charging 2.7 billion cell phones.

Similarly, we have saved more than 1,814 Mt of resin through utilization of substitute materials such as fillers and plant or bio-based resins.

Through improvement in machine cycle times, reduction in machine downtime, reduction in internal scrap rates, and process capability enhancements, we will continue to reduce our landfill contributions and internal waste rates. We intend to pilot Zero Waste to Landfill projects this year, with a goal of developing a process that we can then roll out to our manufacturing facilities.





Reuse



We are capturing and reusing our waste components during our manufacturing process, creating re-pelletized resin and reintroducing those components back into our molding process, reducing resin waste.



Altium is a signatory to Operation Clean Sweep®, an industry program created by the Plastics Industry Association in collaboration with the American Chemistry Council. The purpose of the program is set out in this statement, which we endorse:

While consumers are responsible for the proper recycling and disposal of consumer products and packaging, the plastics industry must focus on proper containment of plastic pellets, flakes and powder. Operation Clean Sweep's focus is to prevent the pellets, flakes and powder from getting into waterways that eventually lead to the sea.



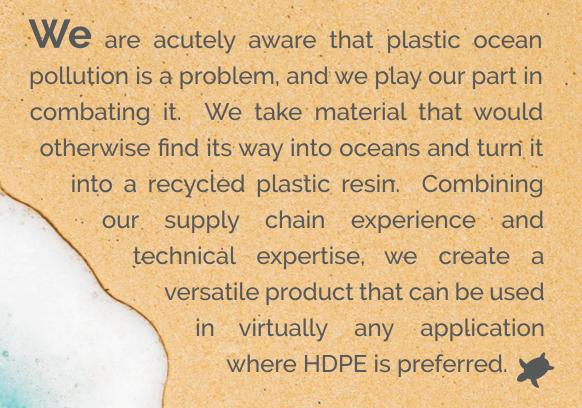


In 2021, all Altium manufacturing locations received Operation Clean Sweep® training on how to properly handle and dispose of plastic pellets, flakes and powder, with the goal of zero pellet, flake and powder loss. After the completion of this training, our teammates signed a pledge to confirm their commitment to this program. This program commits us to minimizing the seepage of resin into our waterways.









IOM lbs

Since 2017, we have reclaimed over 10 million pounds of plastic that might have ended up in the ocean.

Recycle



We label our products with required recycling symbols so that our customers understand which waste stream management systems to use in the circular waste environment.



We were one of the first 100% manufacturers to offer products with 100% PCR

PCR

97% of our product packaging is fully recyclable.



Through our **Envision Plastics division**, which we acquired in 2014, we are a major recycler of plastic that might otherwise be sent to landfill. Envision focuses on producing high quality PCR that enables companies to create innovative sustainability solutions for their customers. The process we use to recycle is mechanical - we take bales of curb-side plastic, grind it into flakes, clean it, melt it and extrude it to produce PCR. Envision has over 15 years' experience producing and selling PCR which is fit for food contact, including our flagship product, EcoPrime®, which has multiple Letters of No Objection (LNOs) from the FDA.



We estimate that Envision Plastics has recycled approximately one billion pounds of plastic waste since it was founded in 2001.



Envision continues to produce over 100 million pounds of recycled HDPE per year, making it the one of the largest producers of recycled HDPE in the U.S.



In 2022, we partnered with California-based, leading dairy brand Clover Sonoma to provide sustainable packaging to their customers. Envision Plastics and our Tracy, California, manufacturing facility were able to provide an HDPE milk gallon jug made with 30% EcoPrime®, Envision's proprietary recycled resin that is safe for most food grade applications. Altium Packaging and Envision Plastics innovation made it possible for our customer Clover Sonoma to be the FIRST dairy in the United States to launch a gallon milk jug with 30% post-consumer resin.





In 2022, Envision Plastics and Mattel teamed up in the launch of Mattel's new line of Barbie dolls made from our OceanBound Plastic product. The material will be sourced from areas in Mexico's Baja peninsula that are trying to mitigate plastic waste pollution. The "Barbie Loves the Ocean" collection, which has a summer theme, comes with three dolls, a beach shack play set and a starter assortment play set.

"Our sustainability efforts represent the next step in Barbie's social mission and evolution." - Lisa McKnight, senior vice president at Mattel



In 2021, Envision Plastics teamed up with LyondellBasell, the world's largest producer of HDPE and PET resin. This relationship leverages each company's respective capabilities to bring differentiated circular recycling solutions to the market that will help the packaging industry meet its sustainability goals.





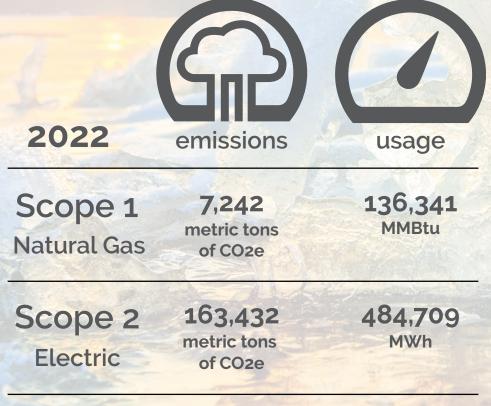
Reducing greenhouse gas (GHG) emissions

We seek to reduce our fossil fuel consumption through implementing best practices in electricity usage and freight management. We are also exploring access to clean and renewable solar energy resources.

Cutting GHG emissions is an important element of achieving sustainability for our planet. This year we worked with consultants to create concise Scope 1 and Scope 2 data logs tailored to our business. Our goal is to have a solid baseline we can use to identify and target manufacturing locations where focused energy audits and GHG emission projects can be most impactful.



Since electricity use represents a large part of the energy consumed in our manufacturing process, we are investigating opportunities for renewable sources. We have developed a plan to pilot the use of solar energy in one of our plants in California as a first step towards making our facilities more energy efficient. This solar project is expected to reduce our power needs from the traditional grid up to 15%.











Studio PKG

Our team of creative industrial designers, engineers, and technical experts specializes in developing blow-molded packaging and has been awarded over 150 patents across the globe. Located in Atlanta, Georgia our Studio PKG® Innovation Center and Performance Lab creates a unique customer-focused experience that ensures our customers' packaging solutions are successfully qualified and launched by our manufacturing facilities consistent with our Always Made Right® culture.

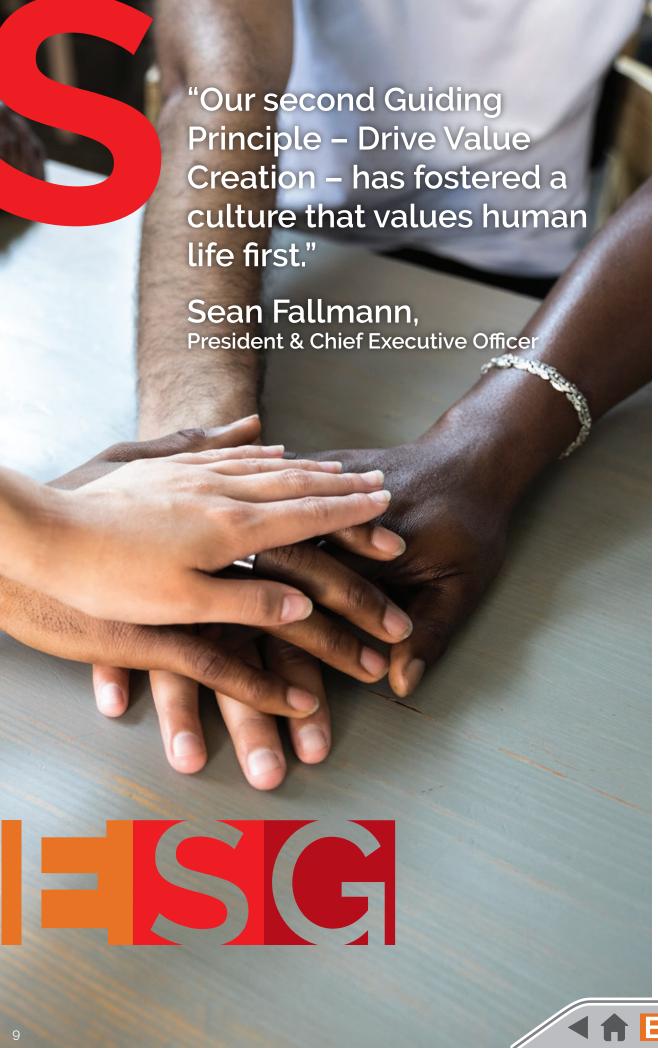
Our forward-thinking Design for Sustainability program evaluates and seeks to optimize our customer product needs, including the product's end of life to ensure we maximize recyclable solutions.

We have been a leader in sustainable solutions for years. The Innovation program has been at the forefront of sustainability technology with our **Dura-Lite® platform** and is continually monitoring sustainability legislation, customer needs, new technologies and material solutions.

We also offer commercially available plant-based resin for customers and are regularly evaluating the effectiveness and scalability of biodegradable and compostable resins.

In response to our customers seeking advanced recycled or mass-balanced resin, we have achieved the globally recognized standard ISCC Plus certification in our Allentown, Pennsylvania, location. This certification allows Altium to replace up to 100% of virgin resin with certified advanced recycled content.





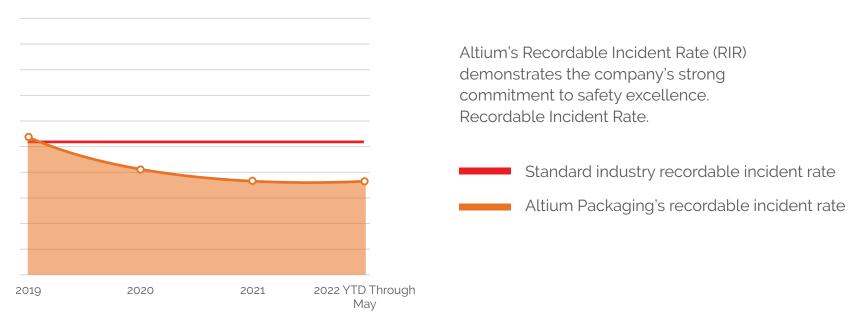
Health & Safety

We believe that Altium cannot create value for society without first valuing the health and safety of our employees. We seek to comply with all required state and federal safety regulations, but more importantly, we work hard to foster a culture in which employees place safety above production demands.

Safety comes first. It's the first priority at the beginning of a manufacturing shift with our pre-operation safety checks on the production floor. It's the first priority at the start of every management meeting, and is integral to our Guiding Principles.

We manage safety through a formal safety governance structure, spearheaded by our Senior Director of Safety and cascading through all levels of our company. Our safety governance structure includes our Executive Safety Council, which meets quarterly and is led by our CEO, Regional Safety Teams that meet monthly, and Sub-Regional Safety Teams that meet weekly. Perhaps more importantly, all employees are encouraged to actively engage in the safety processes and culture in the facilities where they work. Our leaders work with a focus to ensure safety is embedded in our company's practices and to identify and implement opportunities for safety improvement.

Altium Packaging Total Recordable Incident Rate



Through December 2022, Altium's RIR was 1.97 incidents per 100 employees, lower than the industry average of 2.7. We have seen improvement in our RIR year-over-year and continue to implement programs to enhance our safety culture and drive our incident rate even lower.

We conduct an in-depth review after each incident, using the learnings to guide our safety processes going forward and to support substantial investments in the pursuit of safety excellence. In 2021, for example, we began deploying Salvo dock safety systems at several of our locations to prevent incidents associated with trailers. We are also piloting the use of telematics in our forklifts and other powered industrial trucks to reinforce their safe operation.

We embed practices designed to improve safety through our Altium Production System, a program designed to achieve standardization of key processes across all our facilities.





Social Management

We care deeply for the well-being of our employees.

We conduct wage studies to ensure that we continue to offer competitive compensation packages to attract and retain top talent.

We offer employee benefits that include medical, dental, and vision insurance, as well as other types of coverage such as life and disability insurance, and wellness programs. Our benefits package is designed to help employees and their families stay healthy and have access to a variety of health benefits to meet the diverse needs of our workforce.

We offer an Employee Assistance Program (EAP), which provides our employees and their families access to free counseling services delivered by licensed professionals, either online or in-person. We promote health and wellness, including special months focusing on issues such as breast cancer awareness and mental health. Because we recognize the value of preventative care and early diagnosis, we encourage all employees to complete an annual wellness examination and reward those who choose to participate.

Diabetic supplies and generic-branded maintenance drugs are also made available to employees free of charge.

To help our employees prepare for the future and retirement, we offer a 401(K) program and retirement-readiness education.

Employee Ethics Engagement

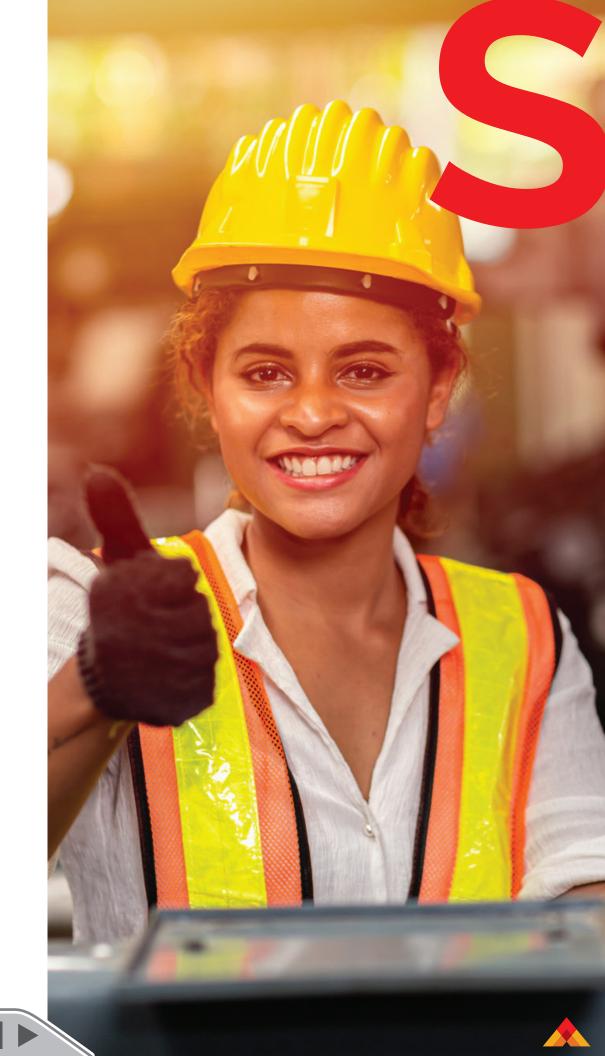
We employ over 4,000 people across 70+ facilities throughout North America.

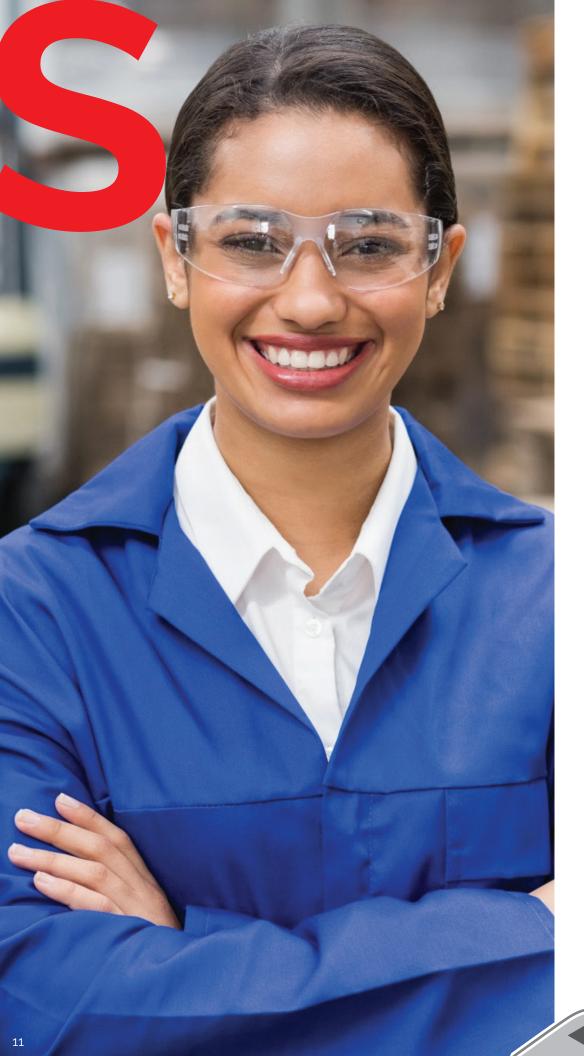
We are deeply committed to employee satisfaction. We conduct annual surveys through an independent third party to measure employee engagement. Our engagement survey examines how employees feel about the basics of their job - pay, benefits, flexibility, and learning opportunities - and seeks their input on their loyalty, their understanding of our vision and strategy, their likelihood to recommend the job to others, and their motivation.

In 2022, 83% of employees completed Altium's engagement survey, a response rate much higher than the industry average of 59%. The results are shared with leaders throughout the business, who are then empowered to develop action plans specific to their areas of operation to generate even stronger engagement in future years.

To encourage employees to report concerns, we also provide access to an anonymous ethics hotline, which is managed by a third party. The hotline is made accessible to employees through a branded phone number, website and mobile application, all with multi-lingual intake options, making it easy for employees to fulfill their obligation to report known or suspected violations of Altium's Code of Business Conduct, company policies or applicable laws. We analyze the themes of these calls regularly so that we can proactively address common issues that may become evident.

We work hard to adhere to all employment laws and regulations that apply to our business. Many of our locations are regularly audited for ethical practices and responsible sourcing through SEDEX SMETA audits. We view those audit results as important feedback to inform improvements to our social processes and procedures.





Diversity and Inclusion

Altium is committed to fostering an inclusive culture that celebrates individual differences and enables us to attract diverse talent. We are proactive in our outreach to allow us to source diverse candidates across all levels in the organization. We partner with organizations such as Women in Manufacturing and Historically Black Colleges and Universities to recruit strong talent.

We have a proud tradition of employing military veterans and reservists. The skills, leadership and dependability that veterans bring to our workforce are invaluable. We appreciate the sacrifices made by military personnel and their families and are honored to have them as valued teammates.

We offer a number of development programs to foster a culture of inclusion where employees are respected for their unique contributions and for the diversity of experience, approach and thought they bring to the organization. Content includes respectful workplace, non-discrimination and non-harassment training, and leadership development to support Altium's culture. We celebrate the diversity of our teammates with regular month-long heritage awareness events, inviting employees to share their unique backgrounds and experiences.

One teammate wrote about her background for Hispanic Heritage Month:

"Both of my parents were migrant workers, working in the fields in all different kinds of weather. They were always proud to say they worked hard for the little we had and always told us we need to take advantage of every opportunity we get. I am now a Plant Manager with roughly 63 employees. I've been with Altium Packaging for 22 years."

We are proud of the diversity of our organization and our relationships with groups that support our commitment to diversity and inclusion. About 35% of our workforce is female, and we have a national membership with Women In Manufacturing (WiM), a non-profit trade association dedicated to supporting, promoting, and inspiring women who have chosen careers in the manufacturing sector. Altium has also created the Altium Women Leadership Network (AWLN) as another resource for women across the company to network and learn from one another.





Training and development

Altium is committed to investing in the success of our teammates. We offer training and development to those with the desire to grow in their careers and take steps to encourage teammates to seek opportunities for advancement.

As skilled labor becomes scarce, we have partnered with state-operated apprenticeship programs, providing a path toward a skilled career. We offer education assistance programs to reimburse employees for a portion of the costs of advanced education and are piloting a program to support hourly employees interested in securing a Commercial Drivers' License (CDL) certification.

For anyone stepping into a leadership role for the first time, we offer a Leadership Essentials program, providing management foundations for supervisors and frontline leaders.

We take pride that the training and personal development plans we offer can enable individuals to move up through the company and grow their own careers. We maintain a special focus on internal recruitment because we believe our success is rooted in our ability to retain talent and promote from within. As one employee in one of our manufacturing facilities recently explained:

> "I've been with the company for 17 years. As my family situation has changed, I've taken different positions in the plant, even working different shifts. Throughout my career, I've looked for opportunities to learn and grow, and my managers have supported me in that growth. As the Quality Manager, I'm now responsible for overseeing all aspects of the Quality function in our plant and managing a team of Quality Technicians."

Awards

We recognize individuals or teams who best exemplify our Guiding Principles with an annual awards program, which includes the Clive Brown Leadership Award - named in memory of a former colleague who embodied the Guiding Principles in countless ways - in recognition of the person who stands out as a leader and best demonstrates our Guiding Principles.

Community Engagement

We support local community engagement through plant-led initiatives, giving individual sites the opportunity to engage with organizations in their local communities. Recent examples include a fundraiser for breast cancer awareness in our York, Pennsylvania, facility and a collection of toy donations for a youth center supporting low-income families in our Irwindale, California, facility.





Governance



Our first Guiding Principle - "Act with integrity and in compliance" - is the foundation for the success of our Governance program. We use data and metrics tracking for compliance, and we act with integrity to maintain high ethical standards. We seek to implement sound risk management processes to reach our goal of being an industry leader that acts with integrity, compliance, ethics, and transparency.

Our Governance program is the cornerstone of effective, ethical, and transparent decision-making. It is led by Kerstin Benden, the Company's Chief Financial Officer.





Data accuracy and accountability

At Altium, performance data is presented regularly to our Board of Directors to ensure the business plan and strategy and ESG efforts are on track. To achieve consistent measurements and metrics related to our business and ESG efforts, we utilize reliable data and accountability systems. We audit and verify data to provide "one source of truth" for effective internal control and success.

Even though we are privately held, our commitment to data accuracy and financial integrity also shows in our internal and external audit activities. We perform annual internal control reviews and external financial audit reviews that independently review our data.

Altium has an Enterprise Risk Council that consists of the General Counsel, Deputy General Counsel and VP of Commercial Excellence. Our Enterprise Risk Assessment (ERA) tool, which is a comprehensive risk register, scores over 150 business risks based on their likelihood, immediacy and impact. Impact scores include potential financial, reputational and business continuity ramifications of each risk. In addition to rating inherent risk, it also scores our mitigation efforts to derive a net risk score. These scores inform which risks the management team invests the most time in addressing.

Operationally, the leaders of Altium meet monthly for the Executive Management Operating Review (EMOR) and the Senior Leadership Team meets weekly to give direction for day-to-day operations. This meeting structure and delegation of authority enables accountability and quick reaction time to various risks and opportunities.



Business Ethics

We run an online Governance training program for all teammates. Modules include the Guiding Principles and the Code of Business Conduct, as well as a variety of other topics such as legal compliance, sexual harassment, and management ethics. Participants must achieve a passing score at the end of each module.

Graphic Attribution - Noun Project: Equity by Kamin Ginkaew . Majority decision by Bold Yellow





Risk Management

We use a variety of controls to manage risk.



Our business mix seeks to ensure that we are not dependent on any individual customer; no single customer accounts for more than 9% of our revenue.



Our Enterprise Risk Assessment (ERA) tool is a risk register that assesses more than 100 risk factors based on their likelihood, immediacy, and potential impact. Impact scores include potential financial, reputational, and business continuity ramifications of each risk. In addition to rating inherent risk, we also score mitigation efforts to derive a net risk score. These scores inform which risks the management team invests the most time in addressing.



We operate both internal and external audit processes. External auditors examine our annual financial statements, while the internal audit function is year-round and regularly tests the effectiveness of our controls with respect to the accuracy of reporting, prevention of fraud, and protection of the business's resources.



We run awareness training and campaigns for cybersecurity and have a suite of policies and procedures for IT, including conditional access policies and Distributed Denial of Service attack protection (DDoS).



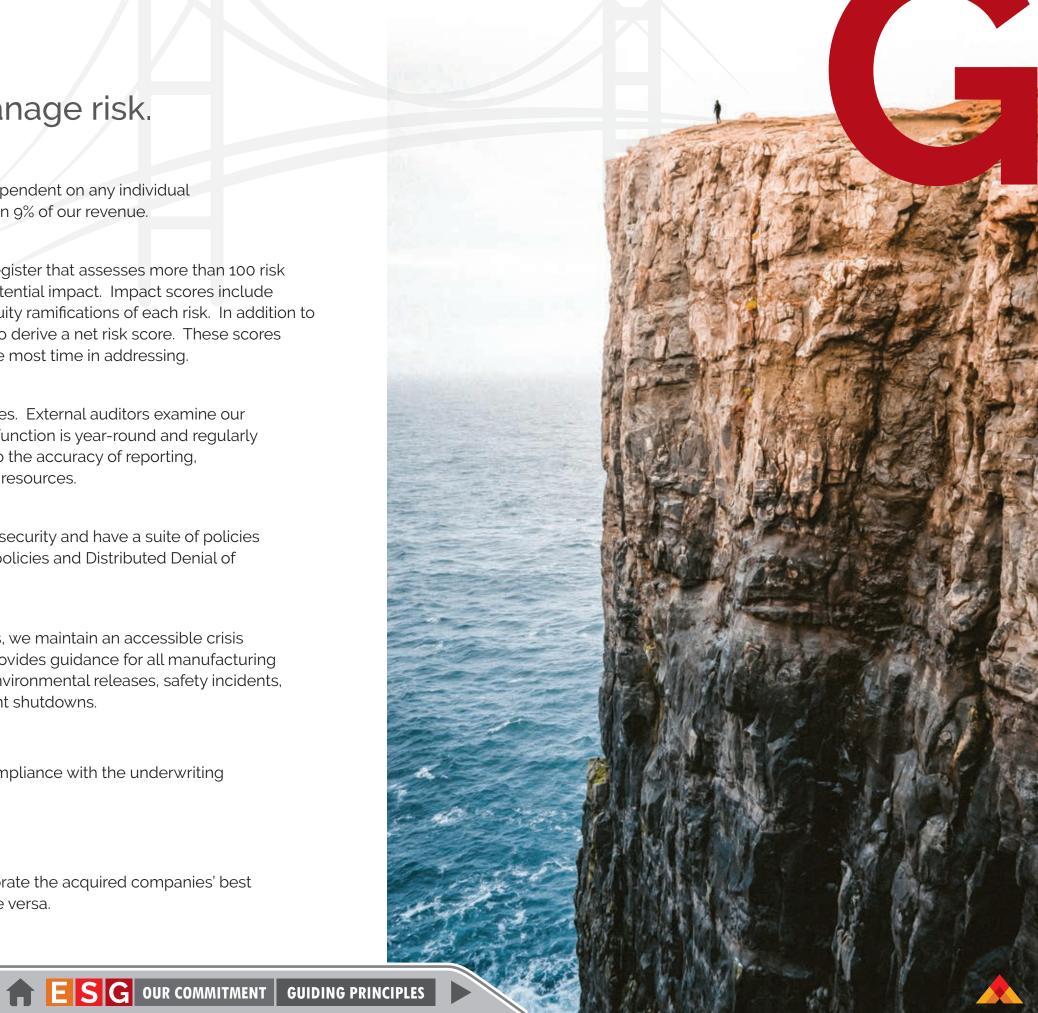
On our corporate intranet and in each of our facilities, we maintain an accessible crisis management and response manual. This manual provides guidance for all manufacturing facilities on response actions for natural disasters, environmental releases, safety incidents, pandemics, security issues, product recalls, and plant shutdowns.



Insurance is in place for certain types of risk, and compliance with the underwriting requirements provides another layer of risk control.



Whenever we make acquisitions, we seek to incorporate the acquired companies' best practices into our standard operating model and vice versa.



Our Commitmer

In calendar year 2022, we gathered electric and natural gas utility usage across our network of over 70 plants and facilities. The primary objective was to determine and quantify our Scope 1 and 2 greenhouse gas (GHG) emissions. The culmination of this initiative yielded a calculation amounting to 170,665 metric tons of carbon dioxide equivalent (mtCO2e).

This significant milestone has provided us with a solid foundation, enabling us to assess the utility usage and emissions impact across our network and discern the individual environmental footprint of each site. Furthermore, this development has afforded us a deeper understanding of our "Cost to Make" Operations metric, shedding light on the kilowatt consumption required to manufacture a single pound of our product



We are committed to being responsible stewards of our resources and producing our products efficiently. If we can find ways to manufacture and offer our products less expensively, while reducing our carbon impact, it is clearly the right thing to do for our customers and the environment."

Brian Hankin, Chief Marketing & Innovation Officer, Head of ESG

We recognize the importance of reducing our utility usage, and corresponding GHG emissions. In late 2023 and early 2024, we plan to conduct energy audits and submit proposals outlining potential enhancements to our manufacturing assets and infrastructure aimed at reducing utility consumption and cost to make, or showing a longer-term positive return on investment.

We also plan to enlist the support of a utility bill management company equipped with state-of-the-art data collection systems to enable us to monitor monthly reports on utility usage and GHG emissions, and make data-driven decisions to identify manufacturing locations where utility consumption exceeds our key performance indicator (KPI) targets.

As we continue to drive our Safety culture, we recently introduced a "No One Gets Hurt, Zero Harm" safety strategy that includes a focus on reinforcing critical safety leadership, improving employee engagement and revitalizing our EHS management system. A foundational aspect of our approach is based on risk identification and awareness, shared learnings from EHS events, and communication across the organization.

We also have partnered with SafeStart to implement a human error prevention program that encourages employees to identify and manage the conditions (e.g., rushing, frustration, fatigue, complacency) that most commonly lead to critical errors associated with unintentional at-risk behavior.

To reinforce our culture and leverage diversity and inclusion as an enabler to deliver superior results, we recently introduced our A3 initiative, designed to attract diverse talent, build awareness of the importance of diversity and inclusion, and provide opportunities for advancement and growth.

To strengthen and deepen our relationships with customers, we are undertaking activities to enhance our customer experience, advocacy and loyalty.

This first official creation of our 2022 ESG/Sustainability Report has brought to light the strengths Altium Packaging has through the diversification of our locations and the products we offer to our customers. Our business reaches across small towns and big cities throughout the United States and Canada with over 70 locations. We take seriously our impact on these communities and look to improve our practices through our Governance program.

In 2023 the Governance program aims to improve our stance across the business with the creation of a cross functional Sustainability Governance Team. This alignment of management across the business seeks to promote the success of our sustainability goals.

We also plan to begin the process of certifying our Sustainability Data with GRI, EcoVadis and CDP. We have put mechanisms in place in 2023 that seek to solidify our confidence in our GHG data collections and the ability of our policies and procedures to be ready for these certifications.

We intend to improve our procurement department by training our buyers on social and environmental issues so that they can make informed decisions when bringing on a new supplier.

We intend to create supplier assessments on social and environmental practices in the form of a questionnaire so we can be aware of our suppliers' sustainability programs as we openly do with our customers.







Appendix

Our Seven Guiding Principles



Act with Integrity & in Compliance

We conduct ourselves with integrity and fully comply with all laws, regulations and company policies all the time.



Drive Value Creation

Pursue safety excellence, because we cannot create value unless we first value human life. Create long-term value for our customers, the company and society. Deliver superior results through effective, efficient decision making, execution and quality. Drive continuous improvement and innovation, while eliminating waste and striving for environmental excellence.



Be Disciplined Entrepreneurs

Always think and act like owners of the company. Use good judgment, critical and economic thinking and initiative to achieve the full potential of our business. Embrace change, take action when you see opportunities to improve the company, and develop measures that lead to profitable action.



Focus on the Customer

We need to understand our customers and what they value better than our competition. We also need to develop knowledge of our customer's business and relationships that enables us to anticipate and profitably serve their needs.



Act with **Humility**

Lead through humility and intellectual honesty. Seek and apply the best knowledge. Understand and deal with reality to drive the best outcome for the company and for your personal improvement. Challenge the status quo and invite challenge without regard to role or level. Hold yourself and others accountable.



Treat Others with Dignity & Respect

Treat others with honesty, dignity and respect. Understand and recognize each individual's contributions and work together as a single team - the Altium Packaging team.



Seek Fulfillment in Your Work

Contribute to an environment where everyone is encouraged to fully develop their capabilities so they can maximize their potential and create the greatest value