



PAC[®]
WORLDWIDE



2020 SUSTAINABILITY REPORT

Protecting the things people care about – including our environment



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OUR COMPANY

For over 45 years, PAC Worldwide has been a leader and innovator in the development, manufacturing and automation of premium packaging solutions to meet the ever-changing needs of our customers worldwide.

“Protecting the things people care about” is our company mission and that includes the environment. Our goal is to be the leader in sustainable flexible packaging. To achieve this, we are focusing on being an active and continuous member of the circular economy by keeping packaging in the economy and out of the environment by designing for recycling increasing recycled content in our products and creating demand for products that are made of recycled content.



Locations

10 locations total
8 manufacturing plants

Employees

1800 employees worldwide

MESSAGE FROM OUR PRESIDENT



At PAC, sustainability is not a buzzword; it is a mindset. Our care for our planet's health has driven us to set forth aggressive sustainability goals for our products and advocate for sustainable changes throughout our industry. We believe that our impact on this planet is our legacy and there is no better legacy than leaving future generations with a healthy, thriving planet.

The PAC commitment to sustainability extends to every area of our business, from product development and manufacturing, throughout our business offices and into the end-of-life solutions we explore for the products we produce. We are proud to partner with our global supply chain partners and customers in developing aggressive, achievable environmental goals for our entire industry.

Like many of you, we have been tremendously impacted by the COVID-19 pandemic. Throughout the past year and a half, our key focus has remained on the safety and well-being of our employees around the world. Despite these challenges, our innovation team has continued to work alongside our sustainability team to ensure that future product iterations drive our company toward circularity and reduction.



Because of our ongoing commitment, we are well on our way to meeting our goal of offering a full array of products that achieve sustainable targets while remaining a leader in product quality. We encourage our employees to incorporate the "4 Rs"; Reduce, Reuse, Recycle and Rethink into their own lives.

As part of our effort to be transparent about our sustainability initiatives, we have developed this report establishing 2020 as a baseline for our current environmental impact and sharing our goals. We look forward to sharing our future reports and progress on our goals. Together, we hope to offer future generations the benefits of high-quality PAC products and a clean and healthy planet where they can enjoy them.

A handwritten signature in dark ink, reading "Steve Foster". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Steve Foster | President

OUR ENVIRONMENTAL IMPACT



measurabl

Sustainability. Solved.

In the first quarter of 2021, we established our first environmental baseline measuring PAC's energy and water use, as well as our Scope 1 and 2 carbon emissions in 2020. We accomplished this with the help of **Measurabl**, a platform for collecting, managing, disclosing and acting upon ESG and sustainability data.



OUR ENVIRONMENTAL IMPACT

Energy (Electricity and Fuel):

We measure energy use in our operations and production including electricity and natural gas. Our energy consumption at PAC is made up of the fuel we use for heating and cooling our facilities and the electricity used for powering our facilities and machines.

PAC's Energy Use in 2020

53,388,277

kWh



Water:

Our water consumption at PAC comes from running our facilities, our NGR pelletizers and cooling from swamp coolers and misting fans.

PAC's Water Consumption in 2020

12,820,792

US Gallons



Carbon:

Greenhouse gas emissions are organized into Scopes 1, 2, and 3.

Scope 1 is direct emissions from fuel combustion in facilities, machines and vehicles.

Scope 2 is indirect emissions from purchased energy.

Scope 3 encompasses emissions from the entire supply chain, which we have not yet calculated.

PAC's Greenhouse Gas Emissions in 2020

600

MTCO₂e



24,885

MTCO₂e



OUR DRIVE TOWARDS CIRCULARITY & REDUCTION

Increase in Recycled Content

To boost the use and importance of recycled content, PAC focused on increasing the production of post-industrial resin (PIR) through NGR pelletizers that allow for scrap to be recycled into resin that can go back into our products.

**PAC saw a
340% INCREASE
In PIR output
from 2019-2020**



OUR DRIVE TOWARDS CIRCULARITY & REDUCTION

Innovation

PAC released a **fully recyclable** CoolPAC cold chain product line. This innovative product is used heavily in the meal kit market and is recyclable through the **NexTrex™** store drop-off recycling program.



Box Liners



Mailers



Roll Stock



Pallet Covers



OUR DRIVE TOWARDS CIRCULARITY & REDUCTION

Renewable Energy Certificate (RECs)

In July 2020, PAC purchased green electricity through IGS Energy.

Our certification is for 7,765,459 kilowatt hours annually through December 2022.



OUR DRIVE TOWARDS CIRCULARITY & REDUCTION



Global Sustainability Champions Program

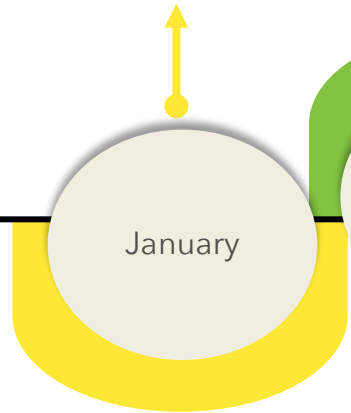
This program designates a PAC employee at each location to be a local sustainability resource. The Champions can take feedback, identify issues and implement sustainability initiatives, many of which are duplicated at other plants. In 2020, our champs worked together to implement a battery recycling program, an e-waste policy and a bottle cap recycling program through Banco Tapitas.



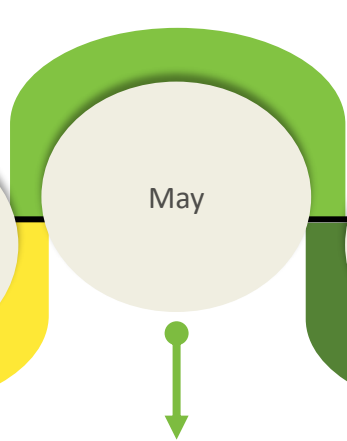
2020 SUSTAINABILITY HIGHLIGHTS

- **Launched our "E-commerce Flexible Film & Grocery Bag Return"**

This program encourages employees to bring their flexible plastics (like the packaging we produce) to work where it can be properly recycled.



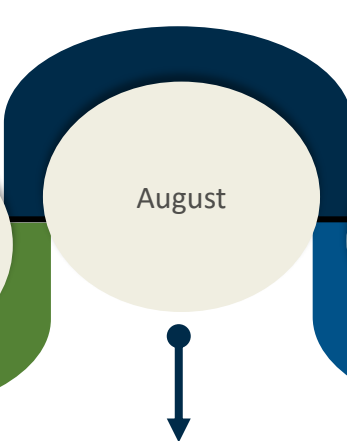
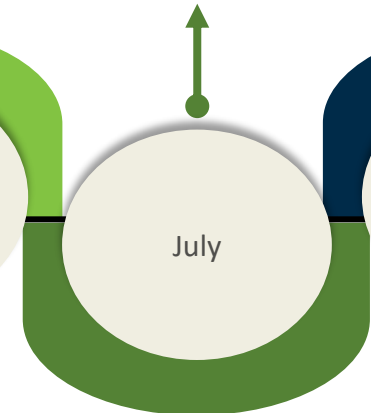
- **Collaborated with Trex to get our CoolPAC certified recyclable through their NexTrex Recycling program**



- **Reported our first year of progress for the Ellen MacArthur 2025 Global Commitment**

In 2019, 78% of PAC's products were recyclable and we used less than 1% PCR.

- **Created PAC's Global Sustainability Champions Program**
- **Joined Holy Grail 2.0**

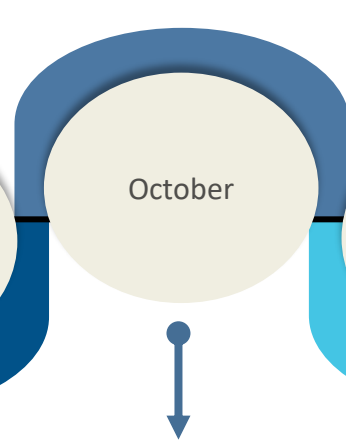
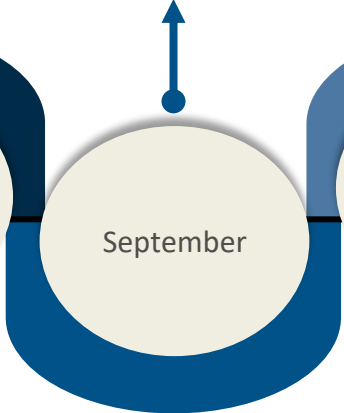


- **Reported on APR Demand Champions**
In 2020, PAC and 31 other companies were part of creating 175.4 million pounds of new demand for PCR.

- **PAC Phoenix won the 2020 Outstanding Energy Efficiency Award**

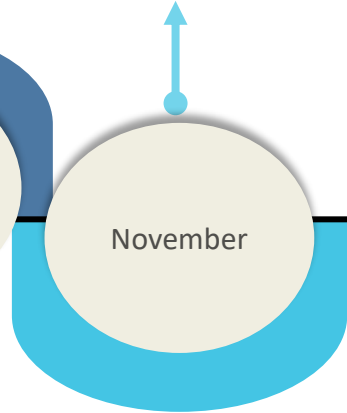
Granted by the Salt River Project.

- **Joined Operation Clean Sweep**
- **Joined Project Gigaton**



- **Created a 10-part Virtual Sustainability Roadshow for PAC Employees**
Video modules focused on the importance of sustainability at PAC and beyond and worked to empower employees and build a team environment around our company sustainability initiatives.

- **Joined the U.S Plastics Pact**
- **Joined the Association of Plastic Recyclers (APR)**



COMMITMENTS & PARTNERSHIPS



PAC has pledged to the Ellen MacArthur Global Commitment that 100% of our products will be recyclable, reusable, or compostable by 2025. Additionally, we will include at least 10% PCR in all products by 2025.



PAC has committed to this Walmart-led initiative that 100% of our products will be recyclable, reusable or compostable by 2025. In addition, our stock Polyjackets and Airjackets will have 30% recycled content in them by the end of 2021.



PAC is part of this collaborative initiative to unify diverse public-private stakeholders across the plastics value chain to rethink the way we design, use and reuse plastics to create a path toward a circular economy for plastic in the United States. "Activators" agree to collectively deliver these four targets:

1. Define a list of packaging to be designated as problematic or unnecessary by 2021 and take measures to eliminate them by 2025.
2. By 2025, all plastic packaging is 100% reusable, recyclable, or compostable.
3. By 2025, undertake ambitious actions to effectively recycle or compost 50% of plastic packaging.
4. By 2025, the average recycled content or responsibly sourced bio-based content in plastic packaging will be 30%.



The Association of Plastic Recyclers

PAC has been an APR Demand Champion since 2018. Champions work to create a consistent, reliable demand for recycled plastic. Through the Association of Plastic Recyclers, PAC commits to maximizing and growing its use of PCR.



Operation Clean Sweep®

An international program tasked with keeping resin pellets, flakes and powder in production and out of the environment. All PAC facilities that handle resin pellets are pledged to OCS.



PAC has signed on with over 85 companies to pioneer digital watermarks for smart recycling in an effort to improve sorting and make curbside recycling more effective. The goal is to be able to sort plastics by type while capturing data about where and how many of our items were recycled.



**SUSTAINABLE PACKAGING
COALITION®**

The leading voice on sustainable packaging with broad membership across the global economy. PAC regularly participates in SPC conferences and roundtables.



How2Recycle

A standardized, on-package labeling system created by the SPC that clearly communicates recycling instructions to the public. PAC has been a member since 2014.



The Flexible Film Recycling Group (FFRG) initiated the Wrap Recycling Action Program (WRAP) to educate the public about recycling and collecting thin-film and flexible plastic in over 18,000 in-store drop-off bins to recycle.

PAC supports FFRG's goal of increasing domestic recycling of PE film to 3 billion pounds by 2025.

APPENDIX

Ellen MacArthur New Plastics Global Commitment



PAC pledges that 100% of our products will be recyclable, reusable, or compostable by 2025. In addition, we will include at least 10% PCR in our products.

- As part of this pledge, we have **committed to publicly track our progress annually and report our progress every summer**, with the full report of all member's progress being released shortly after.
 - o [PAC's 2019 Progress Report](#)
 - o [Official Ellen MacArthur Progress Report](#)
 - o We will be reporting our 2020 progress later in 2021.

US Plastics Pact



The U.S. Plastics Pact is an initiative to unify diverse public-private stakeholders across the plastics value chain to rethink the way we design, use and reuse plastics, to create a path toward a circular economy for plastic in the United States.

- PAC signed on in late 2020 with over 60 other "activators".
- By joining the U.S. Plastics Pact, "activators" agree to collectively **deliver these four targets**:
 1. Define a list of packaging to be designated as problematic or unnecessary by 2021 and take measure to eliminate them by 2025.
 2. By 2025, all plastic packaging is 100% reusable, recyclable or compostable.
 3. By 2025, undertake ambitious actions to effectively recycle or compost 50% of plastic packaging.
 4. By 2025, the average recycled content or responsibly sourced bio-based content in plastic packaging will be 30%.
- PAC attends regular meetings with other companies who have joined. The Pact and its members are working on a roadmap with progress timelines to achieve the targets listed above.

Walmart Project Gigaton



A Walmart-led initiative to avoid **1 billion metric tons of greenhouse gases** from the global value chain by 2030.

- PAC's SMART packaging goal, which is reported on annually, is that 100% of all our products will be recyclable, reusable or compostable by 2025. In addition, our stock PJs and AJs will have 30% recycled content in them by the end of 2021.

APPENDIX

Association of Plastic Recyclers (APR)



APR is an international trade association representing the plastics recycling industry.

- PAC joined APR at the end of 2020.
 - o PAC participates in quarterly member meetings.
- PAC has been an APR Demand Champion since 2018.
 - o Champions work to create a consistent, reliable demand for recycled plastic. Strong demand-pull for recycled plastics is crucial to the growth of the recycling supply chain.
 - o PAC commits to maximizing and growing its use of PCR.
 - In 2019, PAC and the other Demand Champions increased our PCR use by almost **26 million pounds**.
 - In 2020, PAC and 31 other companies were part of creating **175.4 million pounds** of new demand for PCR.

HolyGrail 2.0



Over 85 companies across the value chain are pioneering **Digital Watermarks for smart recycling** to make curbside recycling more effective.

- PAC has signed on with over 85 companies to be part of Holy Grail 2.0, an effort to improve sorting and increase curbside recycling. The program looks to use high-speed scanners along with an invisible barcode on the packaging to identify packaging that is recyclable. The goal is to be able to sort plastics by type while capturing data such as how many of our items were recycled and where.

Operation Clean Sweep (OCS)



OCS is a stewardship program of the Plastic Industry Association and the American Chemistry Councils' Plastics Division. It is an international program tasked with keeping resin pellets, flakes and powder in production and out of the environment.

- All PAC facilities that handle resin pellets are pledged to OCS.
- We have completed audits of where we currently have resin spillage.
 - o PAC is adding features to prevent spillage and loss.
- PAC is encouraging all employees to be fully engaged and sign the **employee pledge**.

APPENDIX

Sustainable Packaging Coalition (SPC)



SPC is the leading voice on sustainable packaging with broad membership across the global economy.

- SPC gives PAC insight and tools to stay ahead of issues that come up regarding sustainable packaging.
- PAC regularly attends SPC conferences throughout the year with other SPC members.
- PAC participates in regular collaborative roundtables with other SPC and How2Recycle members.
- PAC's publicly stated sustainability goals are now listed in the SPC database.

How2Recycle



A standardized, on-package labeling system that clearly communicates recycling instructions to the public.

- How2Recycle originated in 2008 and PAC has been a member since 2014.
- How2Recycle has over 225 members and has issued over 100,000 design recommendations to members to make their packaging more recyclable.
- PAC's goal is to have all our packaging labeled by 2022.

The Flexible Film Recycling Group (FFRG)



FFRG works with local governments, the Federal Government and businesses to collect and recycle flexible plastics and educate the public about recycling. FFRG accomplishes this work through the [Wrap Recycling Action Program \(WRAP\)](#), which is responsible for over 18,000 in-store drop-off bins.

- PAC joined the FFRG in 2018.
- PAC supports their goal of increasing domestic recycling of PE film to 3 billion pounds by 2025. The goal is guided by three objectives:
 - o Increase plastic film recycling and improve feedstock quality.
 - o Increase access to plastic film recycling.
 - o Increase demand for PCR film.
- PAC attends FFRG member meetings throughout the year.