

Sustainability Update

The drive for sustainable packaging is accelerating, and so are we.

Since releasing our first [Sustainability Report](#) in 2021, we've brought our commitment to life by implementing initiatives around the world to achieve our 2025 goals. The impact we have had in just the past year has inspired and motivated our team to continue moving forward to create a safer and more sustainable future.

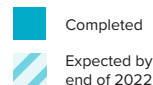
We are proud to share an update on our progress and highlight a few of our sustainability initiatives. Through the effort displayed by our team and the strength of our collaborative partners, we gained strong momentum in 2021. We're excited to continue to pioneer a sustainable future, adding value to our customers and the industry.



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liquibox

Products



Lightweight and downgauge

2025 goal: Reduce total weight of top solutions by 10%

Complete

26% less plastic



With this initiative in mind, we are working to lightweight all aspects of our packaging to make the most significant impact. We implemented [Liquipure® lite](#) for dairy customers—one of Liquibox’s largest markets. This innovative flexible packaging design reduces material consumption by 20%. We also released a new [VINiflow®](#) dispensing tap with a short-back-end that uses 26% less plastic. As a result, we successfully reached our goal to reduce the weight of our top solutions by 10% in less than two years! We plan to continue these initiatives through 2025 to fully optimize our portfolio.

Design for recycling and recovery

2025 goal: Offer a recycle-ready solution for every product category Liquibox serves

90%



[Liquipure® ultra](#) applications have expanded to serve wine, foods and cleaning liquids. This patent-pending solution tackles many of the performance challenges to protect even the most oxygen-sensitive products. At Liquibox, we have bold ambitions to lead the sustainability drive, that is why we do not offer the Liquipure portfolio as an additional solution—but instead position it as the solution.

We are committed to [expanding to new markets](#) as well as converting our current customers into this more sustainable, recycle-ready format. We are close to achieving our 2025 goal, and in order to overcome the final hurdle, our team is developing a Liquipure solution for applications that need to withstand steam sterilization. Simultaneously, we are converting taps and fitments from our [Worldwide Dispensers™](#) portfolio to use only PE materials which will optimize the recyclability of the full solution.

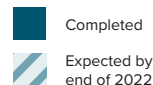
Use materials with minimal impact on the environment

2025 goal: Offer a solution made from renewable resources or recycled content

25%

Our research and development team is working on various development projects to find the best ways to incorporate post-consumer recycled content. In parallel, we’re working closely with our supplier network to ensure we have stable access to high-quality recycled content. We are confident that we will have a PCR solution commercially available by our 2025 goal.

Operations



Reduce energy consumption and greenhouse gas emissions

2025 goal: 20% reduction in energy intensity



Our Lester Prairie, MN USA facility joined a community solar garden to utilize renewable energy to power our production. Quickly after implementing, they have been able to reduce their greenhouse gas emissions and now over 10% of their monthly energy consumption comes from solar power—and this will continue to grow. We’re working to expand this program to additional Liquibox facilities. In parallel, we are improving our efficiency across all our facilities. Initiatives include employee training and equipment upgrades to reduce downtime and ensure energy is not wasted on idle machinery.

Reduce waste to landfill

2025 goal: cut waste production in half



A significant source of waste at our facilities can be solved by addressing quality and equipment complications. To minimize the number of bags that need to be discarded, we raised the bar for employee training, ensuring that everyone knows how to check for quality and quickly resolve any issues. Following these training sessions, we experienced tangible results: less bags were ending up in the scrap pile—and customer satisfaction improved as well!! To reach our 2025 goals, we plan to enhance our operational procedures to limit any wasted material or scrap bags throughout our process.

Improve employee health and safety

2025 goal: limit recordable incidents to less than half the industry standard



Keeping our employees safe is foundational for our manufacturing process. We’ve shifted our standards by updating the safety mechanisms on our machinery and frequently training employees on proper protocol. Supervisors at each site are driving additional awareness by leading “safety walks” on the plant floor to proactively address risks and promote improved behavior standards. Liquibox is confident that we will make drastic progress by 2025 as the culture of safety is deeply integrated into our daily operations.

People

Completed
Expected by
end of 2022

Build community engagement

2025 goal: At least one engagement opportunity is planned at each site per year



Liquibox Madrid built a close partnership with Juan XXIII Foundation, an organization that champions the inclusion of people with intellectual disabilities. Liquibox participated in various outreach programs with [Juan XXIII Foundation](#), which led to the hiring of 6 new employees at this facility.

Due to the COVID-19 limitations on social events, some of our sites were unable to hold engagement activities in 2021. Safety is always our priority and we are working to ensure significant progress is made to achieve this 2025 goal early.

Advance sustainable packaging

2025 goal: Drive sustainable packaging development by actively participating in leading sustainability organizations



As active participants in Sustainable Packaging Coalition, we played a leading role in both the Shipping Liquids Collaborative and the Flexible Packaging Recovery Collaborative to share ideas with supply chain partners and initiate programs to overcome industry challenges. Liquibox also joined the Association of Plastic Recyclers (APR) to ensure our packaging is compatible with existing recycling systems and advocate for a circular economy for plastic packaging. We consider this a success to work with the most influential sustainable packaging organizations, and we will continue participating in these groups throughout our sustainability journey.

Create an inclusive workplace

2025 goal: Increase gender and race diversity globally and on executive team



Liquibox kicked off a mentorship program in 2021 that offers leadership and career development growth. By partnering employees with mentors in leadership positions, participants learn valuable insights about the business and managing a team. This encourages all employees to strengthen their skillsets. As a result, various participants have been promoted to new positions across the organization. We believe that these mentorship initiatives will boost gender and race diversity throughout the organization—especially in management and leadership roles. To reach our 2025 goal, we plan to diversify our recruiting process as well as kick off a range of new diversity initiatives such as resource groups.

A culture of sustainability at Liquibox

Creating a safer and more sustainable future starts with how we invest in our people and our communities, today. We believe our progress toward our sustainability goals is evidence that a strong, united and purposeful team has even more power to make a difference externally.

Developing our talent

Across our organization, we have accelerated the integration of Liquibox Business Systems (LBS)—a unique set of tools and procedures that defines our culture and outlines how we operate. This is a company-wide transformation that empowers every associate to recognize opportunities for improvement and initiate problem-solving processes to achieve sustainable, profitable results. The LBS concept was successfully implemented in our operational process a few years ago, and that's when we discovered it could be beneficial for every Liquibox team. LBS enables Liquibox to grow, while also fostering a supportive environment where employees feel they are making a real contribution to our company and our continued success.



Giving back

Liquibox is proud to support local needs in the communities in which we operate. Company-wide efforts included hiring Ukrainian refugees and sending essential goods to villages in Ukraine, hosting students to educate the next generation on sustainable packaging and donating to numerous organizations that are hand-selected by the leadership at each site to align with Liquibox values.



Raising our standards

At Liquibox, we value transparency and integrity in our operations and our entire supply chain. Our commitment to protecting human rights is instilled across our business, from the boardroom to the factory floor, and throughout our operations and supply chain. We also hold all suppliers and partners responsible for meeting our code of conduct and our sustainable procurement policy. Our values guide our everyday actions, and we are proud to work with partners who are aligned with our vision.

We are proud to reflect on our achievements since the launch of our initial Sustainability Report.

Sustainability is at the core of Liquibox's purpose, it is an essential pillar for our current and future corporate strategy. With these internal drivers expanding our capabilities, we are confident that Liquibox will continue progressing toward the 2025 sustainability goals. We're eager to continue inspiring change in the packaging industry and look forward to updating our stakeholders on our progress.

Interested in learning more about our sustainability strategy? Visit www.liquibox.com/sustainability or view our full [Sustainability Report](#) released in 2021.