

2020

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# PaperWorks Sustainability Report



# Introduction

2020 was a challenging year. The COVID pandemic reinforced the interconnectedness of our global economy, while summer protests raised the specter of inequality. After years of mergers and acquisitions, 2019 and 2020 brought forth a corporate-wide effort to unify PaperWorks under one umbrella; recognizing that while our individual facilities may have unique aspects and cultures, we are all key contributors to one organization.

Part of the multi-year effort to start our One PaperWorks journey was the development of our Purpose, Vision and Values. Our corporate values of Safety, Transparency, and Community are in-line and relevant in the environment we live in today. Deemed an essential business, **Safety** took top priority as our facilities sustained operations while most of the world was asked to stay home. Our team members amended processes and procedures rapidly and constantly as new information emerged, working tirelessly to ensure our customers and their customers received essential products in a timely manner. But safety at PaperWorks is more than just providing the right tools, it requires **Transparency** to ensure we are communicating with our team members so we can make the best decisions. Transparency was essential to ensure everyone stayed safe during a time of uncertainty. In order to achieve our safety and transparency goals, it was necessary to engage

our One PaperWorks **Community**. As team members, we live in, support, and serve many communities. Our communities include our team members, family members, neighbors, the environment, local businesses, charities, cities we live in and do business in, customers, investors, educational institutions, regulators, future team members, individual consumers, and industry partners. Relationship building inside and outside our organization helps ensure we are all looking out for one another.



## Introduction

'We're all in this together' feels like the underlying message for the year 2020 and it's in that spirit of collective values that we release the PaperWorks 2020 Sustainability Report. This report provides transparency on our safety

and environmental performance and reinforces the fact that what happens in one area of our organization impacts us all. We release this report as a way to communicate to our customers and team members on our efforts to ensure PaperWorks remains both an employer and supplier of choice.

Sustainability reflects the intersection of social and environmental issues all with a lens towards fiscal responsibility. A good way to look at it is as a three-legged stool. When one leg of that stool is out of balance it will break—sustainability is finding that right balance to keep that stool level. As we reflect on the year 2020, our values are an extension of that stool. Our values align with how we create a socially and environmentally fair community for our team members, our customers, and the broader communities we operate in. If one of them is out of balance, we are all out of balance.

2020 was a challenging year but we still have much to celebrate—despite our challenges, we saw the strength of community as our essential workers showed up to work to protect those most vulnerable, our first responders braved the front lines of an unknown pandemic, and our citizens spoke up against injustice. These acts of community inspire us. And what we see every day from our own team members in our own home, our packaging plants and our mills, reassure all of us that we in the right path as One PaperWorks.



# About Us

PaperWorks is a leading, integrated North American full-service provider of recycled paperboard and specialized folding cartons for packaging applications. The company specializes in providing innovative folding carton solutions for a wide variety of market sectors including food, beverage, personal care, pharmaceuticals, nutraceuticals, and medical devices, and is also known for its market differentiating sustainable paperboard products and state-of-the-art, extended color gamut printing capabilities.

PaperWorks has invested in state-of-the-art technology over the past three years to upgrade its paperboard mills and folding carton converting plants to be at the forefront of innovation and market differentiation. The company is committed to the highest sustainability and procurement standards. Product certifications include the Forest Stewardship Council (FSC), Sustainable Forestry Initiative SFI®, IFS PACSecure, and 100% Recycled Paperboard Alliance (RPA100).



## Purpose

With your trust, we deliver positive experiences and innovative solutions.



## Vision

To be the brand for brands.



## Values

Safety.  
Transparency.  
Community.



# Services

## PAPERBOARD

100% recycled coated or uncoated commodity-grade and specialty paperboard for carton manufacturing, food packaging and more.



Paperboard carton design and conversion



6 grades of recycled paperboard (coated and uncoated)

## LITHO-LAMINATION

high quality, high gloss printing for corrugated materials.

## PACKAGING

High quality, innovative carton production for products in the pharmaceutical, food, personal and household care industries; packaging reflects brand values while meeting the toughest strength and durability requirements.

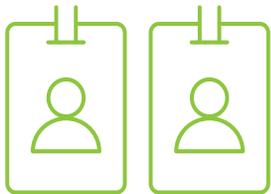


## PACKAGING DEVELOPMENT (PACDEV) DESIGN + INNOVATION CENTRE

A dedicated team of design + technical professionals providing a comprehensive range of development services and delivering maximum packaging performance.

## Fiscal Structure

Privately held company



# 1,450

TEAM MEMBERS

## Available Certifications

FSC® (all facilities)

Recycled Paperboard Alliance RPTA 100%

SFI® (all converting facilities)

IFS PACsecure (all converting facilities)

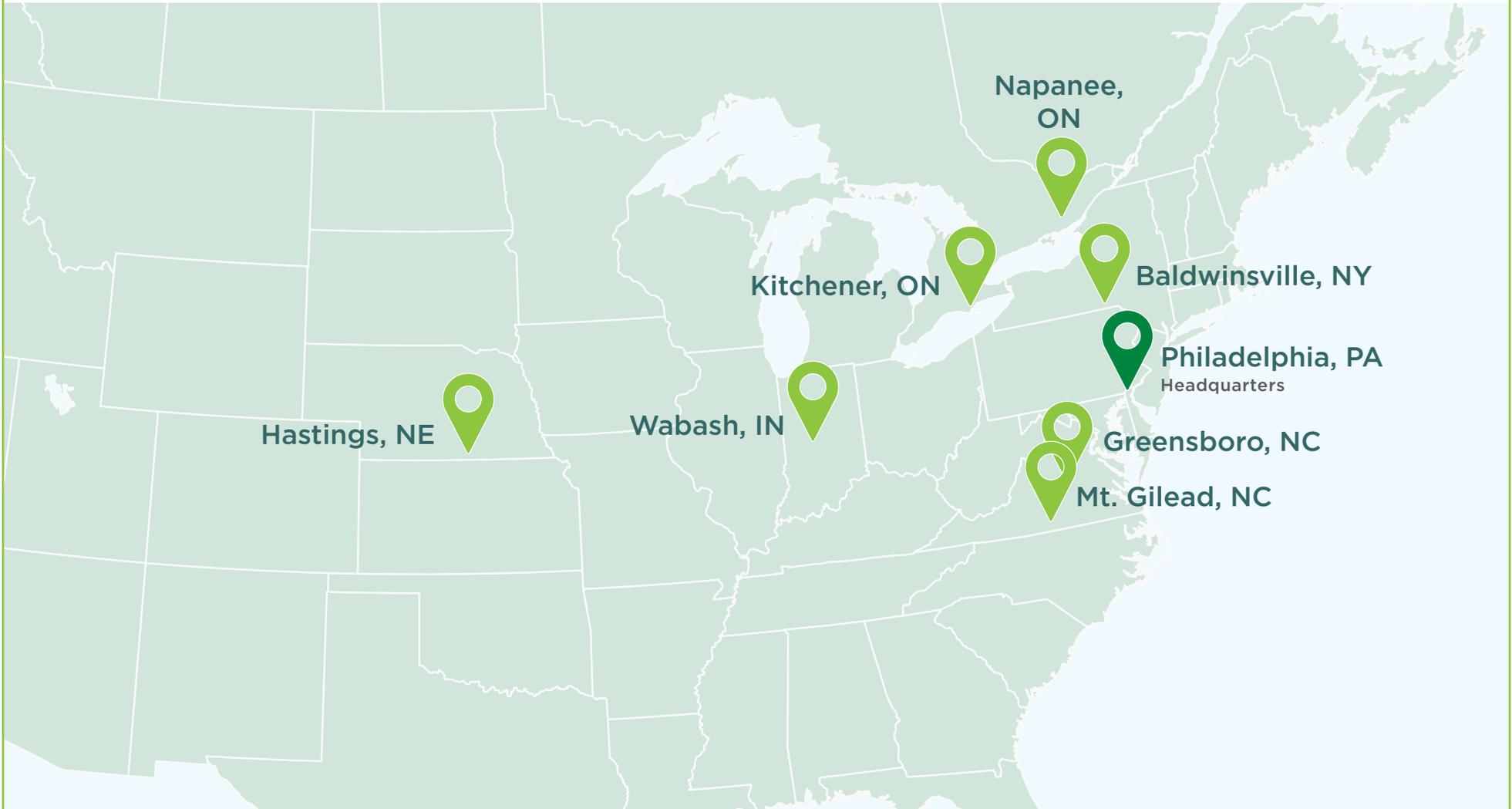


# Locations

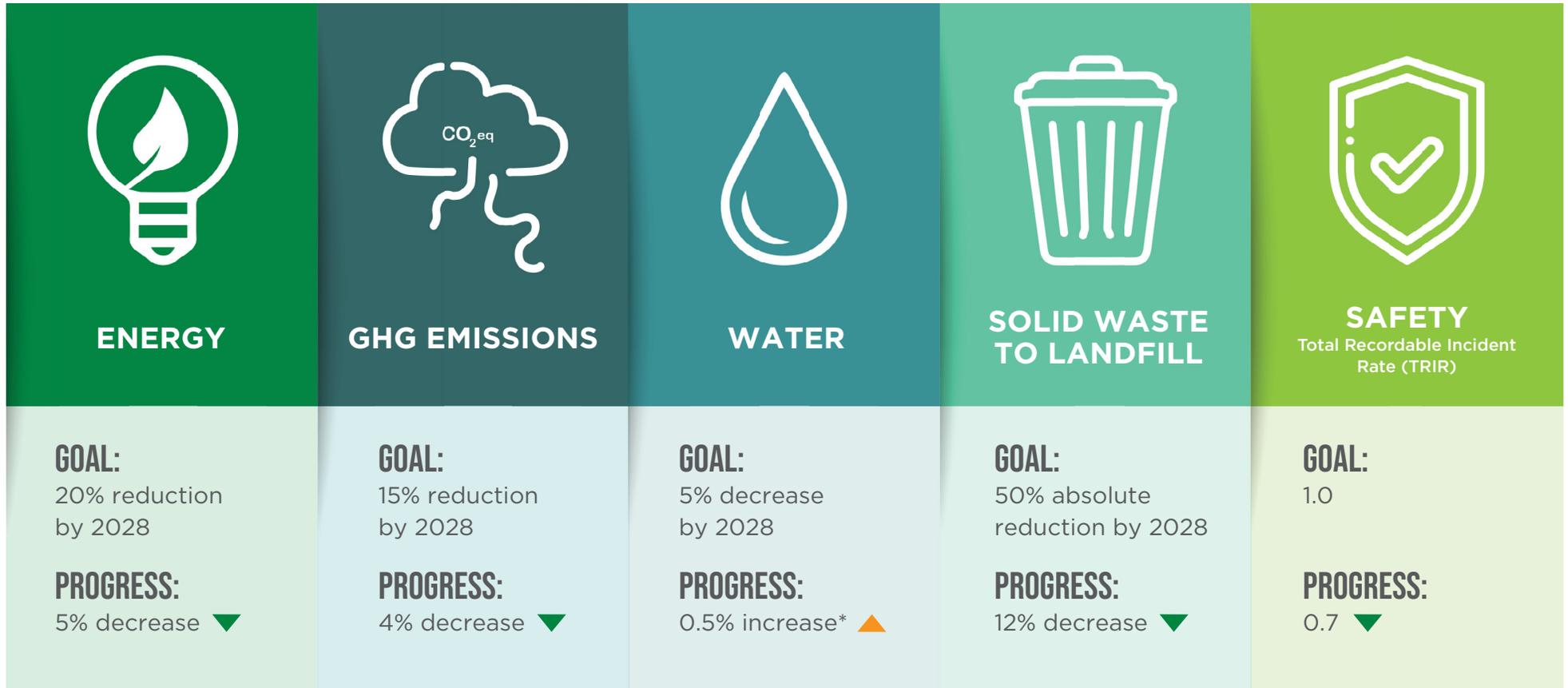
ACROSS EASTERN U.S.  
AND CANADA

**2** RECYCLED  
PAPERBOARD MILLS

**5** CONVERTING  
FACILITIES



# Impact Summary



Disclosure: Our sustainability performance is measured against a 2018 baseline. To best assess our resource demand, we calculate performance based upon intensity; qualifying total resource demand against total tons produced. This provides a more accurate assessment of resources used per ton rather than an absolute number which will fluctuate upon demand. The one exception to intensity evaluation is in our solid waste to landfill. We believe that waste is simply misplaced resources and thus it our objective to find reuse and repurpose opportunities for the majority of our waste.

Goals are set for 10 years but will be reviewed sooner if significant progress is made.

\*We identified an error in 2019 reporting. Water was double counted at one of our facilities. Instead of a 22% increase in water demand in 2019, we had an 11% increase. Increased demand for paperboard in 2020 helped reduce that increase to 0.5%. With water efficiency investments planned in 2021 we expect to begin to see a reduction in cumulative demand despite increased production.



## ENERGY

### 2028 GOAL:

20% reduction  
by 2028

### 2020 PROGRESS:

5% decrease ▼



## Energy for All

In 2019, PaperWorks became a signatory to the US Department of Energy's Better Buildings, Better Plants Program. In return for access to the expertise of the Department of Energy and their partners, signatories pledge to reduce energy demand across their facilities by 20% over ten years. This partnership provides signatories access to energy audits via regional university programs, peer resources and trainings, state and federal grants, and more. While 2020 put a damper in our ability to leverage in-person programs to assess energy demand in our facilities, Department of Energy (DoE) expertise helped us better refine our metrics and process of reporting and facilitated opportunities to learn best practices from our peers.

Despite adding new presses in Baldwinsville and Greensboro, investments in lighting and heating efficiency across many facilities resulted in a cumulative 5% decrease in energy demand since 2018, placing us ahead of schedule towards our 2028 goals.



## SAFETY

Total Recordable Incident Rate (TRIR)

### 2028 GOAL:

1.0

### 2020 PROGRESS:

0.7 ▼

## Safety First

2020 tested our ability to work safely as a community. As an essential industry, manufacturing across all our facilities was maintained despite community lockdowns. Our employees went above and beyond as they responded quickly and positively to the addition of personal protective equipment, cleaning routines, and new social distancing efforts. We are pleased to report we had no identified cases of COVID-19 facility-transmission across any of our locations.

2020 saw significant recognition for PaperWorks' Safety. We take pride in benchmarking our performance against peers so we can promote a culture of continuous improvement and learn from others.

Our converting facility in Mount Gilead, North Carolina celebrated 5 years without a lost time injury. Our Strathcona Mill in Napanee, Ontario celebrated 1 year without a recordable incident and 2 years without a lost time injury. Our Greensboro, North Carolina facility celebrated 2 years without a lost time incident. On January 10, 2021, our Kitchener converting facility celebrated 4 years and almost 3 million hours worked without a lost time injury! It takes a community to ensure that hazards are identified, protective equipment is in place, and peers are looking out for one another. We are proud of our successes and recognize it is due to a collective effort as a One PaperWorks team.

WE ARE PLEASED TO REPORT THAT PAPERWORKS WAS RECOGNIZED BY THE PAPERBOARD PACKAGING COUNCIL IN THE PPC CHAIR'S TOP TWENTY FOR SAFETY PERFORMANCE.



## SOLID WASTE TO LANDFILL

### 2028 GOAL:

50% absolute  
reduction by 2028

### 2020 PROGRESS:

12% decrease ▼

## Waste not, want not

As recycled paperboard producers we believe that one person's waste can be another person's treasure. When we associate waste with a loss of valuable resources, we begin to evaluate how discards can be reused or repurposed for other goods. Our efforts to reduce waste across our facilities are motivated by our recycling goals. In our plants, printing plates, strapping and pallets are recycled or reused; excess paperboard from our converting facilities is sent back to our mills; and excess pulp from our mill process is used for land-spread, offering additional nutrients and coverage to neighboring farms.

As communities have moved towards single stream recycling, paper, plastics, metals, and glass are intermingled. Municipal recycling facilities are designed to help sort these materials but inevitably, due to the high speed in which they operate, or multi-material packaging formats create additional challenges. It has been reported that across the US, contamination in recycling has increased an average 25% over the past decade. We have identified the paperboard fiber bales we purchase from municipal recycling facilities as an area of opportunity at our mills. The majority of our waste as a company comes from the paper mills and the majority of this waste is excess plastic found in the paper bales we purchase.

Key to our success in reducing waste will be educating our customers and our communities by offering clear recycling messages. Labels such as How2Recycle® are valuable tools to engage and educate consumers on how to prepare household recyclables for maximum efficiency in remanufacturing. For more information on the How2Recycle® Label, please contact your sales representative and/or visit <https://how2recycle.info/>





## We are all in this together

When COVID first struck in March of 2020, the lack of personal protective equipment for our first responders created significant concern. Fiber Shield was an initiative created by the paperboard industry. Competitors worked together to design, print, and convert over 4,200,000 disposable face shields to help protect first responders and essential workers.

PaperWorks was pleased to contribute 100,000 single-use face shields in the initial months of 2020 to the following organizations:

- Niklaus Children's Hospital (Miami Florida)
- New York State Department of Health (NY)
- Creative Beginning Childcare, (Baden, ON)
- Guelph Community Health Centre (Guelph, ON)
- Parkview Wabash Hospital (Wabash, IN)
- Duke's Memorial Hospital (Peru, IN)
- Montgomery County Sheriff's Department (Troy, NC)
- Mount Gilead Police and Fire Departments (Mt. Gilead, NC)





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# PaperWorks Sustainability Report

Please email your questions and ideas to [sustainability@onepaperworks.com](mailto:sustainability@onepaperworks.com)