



2022 IMPACT REPORT

ABOUT THIS REPORT

A decade into our annual Impact Report, we find the climate and environment in a more dire state than when we started. As a result, we are renewing our commitments to fighting the climate crisis through dedication to understanding how our entire value chain impacts the planet and our communities. As much progress as we have made in the last decade, this rapidly changing landscape of climate risk, circular economy, and intertwined social inequities continues to challenge us.

Evolution in the state of the planet requires evolution in the way we do business.

Our 2022 Impact Report tells the stories of challenges and opportunities in the world of foodservice packaging. We truly believe that proper sourcing, waste diversion and circular solutions are effective climate mitigation tools.

Our external Sustainability and Impact Advisory Committee is an invaluable sounding board for our social and environmental work. Their feedback on our reporting structure, programs and strategies elevates this important work. Please join us in thanking our committee members for their ongoing contributions to this work:

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A1 Organics

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This year we hit a huge milestone! We are pleased to issue our 10th annual report of the important work we do to enhance our social and environmental impacts. Speaking of impact, with this tenth annual report we’re renaming it the **2022 Eco-Products Impact Report.**

We are hoping this update can help emphasize our commitment to active, continuous improvement, and recognize that what really matters is the impact Eco-Products has on the planet and our communities.

We’d love to hear your feedback!
Email us with your
comments or questions at
sustainabilitymaven@ecoproducts.com

The Eco-Products Difference.

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LETTER FROM
THE PRESIDENT



IAN JACOBSON

“In each of the last reports we’ve seen wins and setbacks, but what’s important is that we continue to make solid progress.”

It is with great pride that we release our 10th annual Impact Report – ten years of analyzing our social and environmental impacts, and ten years of announcing public-facing commitments around the improvement of those impacts.

As we look back on 2022 and the ten years of reports that preceded it, I’m reminded that change is hard and that growth is non-linear. In each of the last reports we’ve seen wins and setbacks, but what’s important is that we continue to make solid progress. When we look at the news from IPCC on rising GHG emissions and increasing global temperatures, it’s clear that the challenges we face are real. Still, we remain hopeful that the mitigation and adaptation strategies available to us will finally gain traction.

Nobody thought it would be possible to achieve net-zero electricity consumption at our Boulder Headquarters, but we did it. In 2022, the solar array on our building produced 99.8% more electricity than what we consumed from the grid throughout the year. It also seemed unlikely that we would ever be able to eliminate Plant Starch Cutlery (PSM) from our bundle, but we finally made the decision in 2022 to do this, too.

The point is that it can be possible to do hard things when goals are set and inspired teams of people are given the tools they need to make progress.

Speaking of progress, 2022 proved to be another momentous year of legislative activity in our category, creating both challenges and opportunities for our business. It is promising to see more commitments to packaging that is reusable, recyclable or compostable,

and to see programs aimed at better supporting critical infrastructure needs for commercial composting, recycling, and reuse. For our part, we are proud to announce the return of availability on our full bundle of products, giving foodservice operators the necessary tools to meet their goals, whatever they may be.

National Recycling Day in 2022 promoted the benefits of recycling and composting for “our health, environment, and economy”, and called upon all Americans to act.¹ I am proud that Eco-Products is able to respond to this call to action and appreciate the opportunity to support our customers in this shared journey to conserve resources and save the planet.

The underlying message is that it is not too late for our global community to come together to combat climate change. But we must act now. Circular solutions and responsibly managed supply chains will be critical. As you’ll see throughout this report, Eco-Products is up for the challenge.

SO, WHAT ARE THE HIGHLIGHTS FROM OUR 2022 WORK?

We are proud of what we do to advance circularity and provide climate solutions to foodservice operations around the world. Here are a few developments of note:

[1] Advocating for composters and focusing on needed compost infrastructure expansion

Contamination from non-compostable products is the biggest challenge composters face, so we worked hard in 2022 to plan the transition away from PSM cutlery, a non-compostable lookalike item, from our product offering. This full removal happened in March 2023. We also worked closely with industry partners on the CompostAble Chicago Study – a detailed look at contamination and mitigation strategies in different food service environments. Finally, we continue to work with the US Composting Council, other composting advocacy groups, and composters themselves on solutions to the other challenges facing the system.

[2] Product innovation to meet evolving needs

The expansion of our award-winning Vanguard line of molded fiber products made without added PFAS is a testament to our focus on innovation, and commitment to helping our customers meet their compliance needs and sustainability goals. We feel confident in our ability to continue to be a leader in this space.

[3] Exceeding our Waste Diverting Operator goal

Eco-Products helped 26 US Foodservice Operators implement a Front of House (FOH) FOH Waste Diversion Program in 2022. These relationships are critical in supporting circular systems in the foodservice industry.

2022 proved to be a fitting year to update the name of the annual report intended to tell these stories. The planet, our communities, our industry and our organization are in a different place than we were ten years ago. These transformations ultimately inspired us to rethink the name of this report. Reflecting upon our impacts, and our ability to evolve to meet current and future needs of the planet and our communities.

I hope you’ll enjoy this special installment of our annual Impact Report. We’ll highlight some accomplishments of the past, but are more focused on the important work that is still to come. We’re up for the challenge, and know you are too. Let’s work together to create a better future for all of us.



¹ https://www.whitehouse.gov/briefing-room/presidential-actions/2022/11/14/a-proclamation-on-america-recycles-day-2022/?utm_source=link

THE ECO-PRODUCTS DIFFERENCE

Eco-Products aspires to be the most socially and environmentally responsible foodservice packaging company in the world.

We believe we are well on our way, thanks to our ongoing obsession over the impacts our products, operations, advocacy work, and waste diversion services have on the planet and our communities.

Throughout this journey, our north stars have remained constant. In the coming years, we'll continue to partner with our parent company, Novolex, to focus heavily on our strong suits: choice, innovation, and sustainability. We're committed to meeting consumer and market needs while also doing our part to help shape and improve the industry. We do this through advocating for circularity infrastructure, and through a better understanding of, and acting upon, impacts throughout our supply chain. We are constantly working to improve our social and environmental impacts, which are inevitably passed along to our customers. We are dedicated to helping our customers improve their own impacts along the way, too.




Our focus on innovation can take us to some wild places! From new substrates to focusing on how our products are used – we're thinking of ways in which our products could ultimately enhance our customers' social and environmental impacts. For our long-time fans, don't worry; we're still staying true to our obsession over composting, recycling, and product life cycle impacts. Additionally, we will ensure we are tuned into our future's dire climate risk, and ready to take action in this rapidly evolving landscape of circularity, waste diversion and impact.

We must have the ability to evolve.

We are concerned about the state of our planet. Globally, we must reduce our greenhouse gas emissions and evolve the way in which we consume natural resources. We must do what we can to keep global warming to only a 2°C increase. Due to climate change, we're seeing an unprecedented rise in extreme weather events that disrupt basic functions of our society. Scientists also estimate that we have witnessed a loss of over two-thirds of global wildlife.² Meanwhile, the UN reported that income inequality grew for over 70% of the global population, particularly in developed countries.³

As global citizens, we work tirelessly to combat these issues. In addition to being a certified B Corp, we integrate global frameworks like the United Nations Sustainable Development Goals (UN SDGs) into our strategies for improvement. We recognize that our work and our products go out into an imperfect world. We strive to do our part where we know our products, services and the way in which we conduct our business can make a difference.

United Nations Sustainable Development Goals

	What Eco-Products is Doing
	We advocate for effective responsible sourcing and waste diversion infrastructure. Our compostable GreenStripe® products are made from renewable resources and are compostable, which helps keep food scraps, organics and food service products out of landfills. Finished compost, when applied to land, can help combat climate change and build more resilient communities. We are also helping to grow market demand for post-consumer recycled materials and decreasing the use of virgin materials with our BlueStripe® products.
	By using our GreenStripe® products, foodservice operators can purchase products made from renewable materials, and establish and scale successful waste diversion systems that divert both packaging and food scraps from landfills. Our BlueStripe® products incorporate post-consumer recycled material, keeping valuable material out of the landfill and giving it a second life.
	We connect our work every day to the power of circular systems to address the climate crisis and provide our stakeholders and customers with meaningful opportunities to mitigate climate change through responsible sourcing and circular solutions.



Using Business as a Force for Good

We are proud to be a certified B Corp since 2016. In 2022 we initiated the recertification process, and appreciate how the ever-evolving framework of the B Impact Assessment pushes us to be better stewards of our communities and the planet. Our final B Impact Assessment score will be reassessed in 2023.



After joining our family in 2021, Vegware continues to provide environmentally responsible products to the market, and works to advance waste diversion infrastructure globally.

Our Vision

Eco-Products will be in the vanguard of our Zero Waste future.



Our Mission

At Eco-Products, we understand the connection between the health of the planet and the impacts of disposable packaging. Every day we work to advance Zero Waste systems, and help our customers be better stewards of the environment.



74
EMPLOYEES

450+
PRODUCTS

Certified
B
Corporation
SINCE 2016

MARKETS:
U.S., Canada, Europe,
Latin America,
Australia & New Zealand

HEADQUARTERS:
Boulder, Colorado

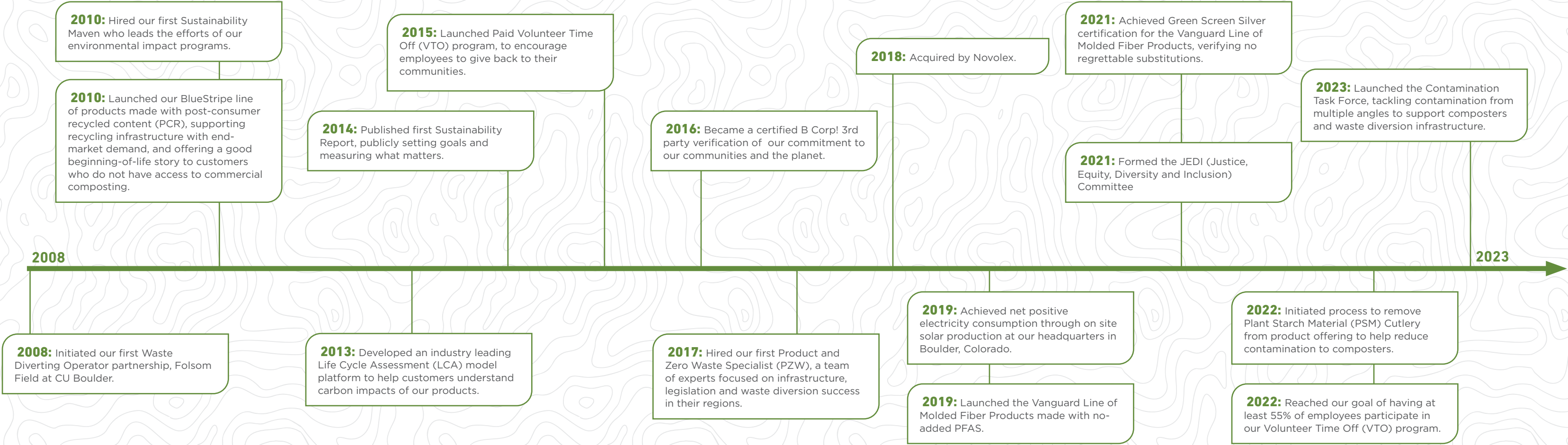
PARENT COMPANY:
NOVOLEX®

² <https://www.weforum.org/agenda/2022/10/nature-loss-biodiversity-wwf/>
³ <https://news.un.org/en/story/2020/01/1055681>

TEN YEARS OF
IMPACT REPORTING:
A RETROSPECTIVE

As we celebrate this tenth annual Impact Report, we reflect on our history of Impact. Because we’re an impact-focused company of problem solvers, we tend to focus a little more on the challenges that remain ahead than celebrating accomplishments of the past.

We believe these past years of successes and progress validates our approach and commitment to product stewardship and waste diversion as a key solution to climate change. The partnerships we’ve built, products we’ve developed (or removed), and advocacy work completed have all played a role in our impact work.



**IMPACT AT
ECO-PRODUCTS**

We care about the social and environmental impacts of our products, value chain, and operations.

These pillars ground the company in its core values, and are critical to the unique Eco-Products Impact approach. An approach we believe can change the world of foodservice packaging, and its responsible sourcing and circularity potential.

As a proud member of the Novolex family of brands, Eco-Products is able to benefit from their trusted Governance policies and strategies.



2022 GOALS PROGRESS REPORT

At Eco-Products, we pride ourselves on our high standards. We love setting ambitious goals and figuring out how to achieve them. We understand progress might not be linear, but we’re committed to continuously working toward our goals - whether it only takes a few months, or we need to develop a better plan that extends into the future.

Here is the 2022 public goal progress report. Though we did not reach all our goals, we always learn from challenges – or even failures – to better develop future programs and goals. The unmet goals do not go away, but rather lead to future goals and work that can continue to make a more positive impact.

What We Said We Would Do		Status	What We Did
Products & Supply Chain			
In 2022	We will continue to validate environmental attributes for Beginning-of-life (BOL) of the top 5 substrates/materials by volume: Sugarcane/Bagasse, PLA, Virgin Paper Board, Recycled Paper Board and rPET	In Progress <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	In 2022 we were able to fully achieve 1 substrate certification, maintain 2 substrate certifications, and continued to build the roadmap to achieving the other 2 substrate certifications.
	We will evaluate feasibility of achieving carbon neutrality for select product footprints	In Progress <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Carbon neutrality is ambitious, and we are realizing we must first fully assess the carbon impacts of our products in order to develop plans that move us closer to decarbonized supply chains. We are starting the process of building a comprehensive carbon baseline with Novolex, which will be inclusive of scope 1, 2 and 3 relative to our emission boundaries.
By 2023	We will evaluate our framework and process for analyzing the impacts throughout our supply chain and work with suppliers to ensure our Tier 1 manufacturing partners adhere to our highest standard of 3rd party certifications	In Progress <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	In 2022, in partnership with Novolex, we relaunched the Intertek Survey for suppliers operating in what are considered high risk countries. Most Eco-Products suppliers went through the process, with the rest intended to complete in 2023.
Zero Waste Infrastructure			
By 2023	We will support expansion of access to commercial composting of foodservice packaging in at least 5 communities across the US, 2 communities in Canada	US: In Progress <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Our PZW Team meaningfully supported expansion to commercial compost in 4 communities in the US, with 6 projects started in 2022 that are well on their way toward completion in 2023.
		Canada: Not Met <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	There were not any expansion wins in Canada, however, we continued to develop relationships with our Canadian counterparts at PolarPak and feel positive about progress in 2023.

What We Said We Would Do		Status	What We Did
Waste Diverting Operators			
In 2022	Help at least 25 US foodservice operators implement a Front of House (FOH) Zero Waste Program - 3 in Canada.	US: Surpassed <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> Canada: Not Met <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Our PZW team helped 26 US foodservice operators implement a FOH Waste Diversion Program. There were not FOH Waste Diversion program wins in Canada, however, we feel confident that discussions in 2022 will lead to waste diversion success in 2023.
People			
In 2022	Bring on 3 new Composter, Hauler, Distributors (CHDs) who qualify as economically or socially disadvantaged businesses	In Progress <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Though we did not officially welcome a new CHD who qualifies as an economically or socially disadvantaged business, we had some great conversations with potential partnerships in this area
Every Year Moving Forward	Hold quarterly JEDI meetings	Not Met <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	There were only two JEDI meetings throughout 2022. We unfortunately did not meet this goal.
	Not hold any interview process without including at least 1 candidate from an underrepresented group	Not Met <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	We decided to update the way this goal is presented in the next round of public goals, the “why” is explained in the “People” pillar of the report.
	Publish open positions to associations for underrepresented groups	Achieved <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Yes, all open positions were listed on an array of job boards focused on reaching underrepresented groups.
	Have at least 55% of employees take advantage of PTO for Volunteer	Surpassed <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	71% of Eco-Products employees took advantage of our Volunteer Paid Time Off benefit.
	Have at least 90% of our employees include a sustainability and/or DE&I goal in their performance review	Not Met <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	This goal was not met in 2022, we will work to increase the number of employees including these themes in their annual goals.
Operations			
In 2022	Decrease our normalized carbon dioxide (CO2e) emissions from air travel and business car travel by 5% relative to 2019 travel	Surpassed <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Air travel relative to sales, as measured in metric tons of CO2e per \$1M earned, was 43% lower in 2022 than in 2019.
Every Year Moving Forward we Will	Offset our operational emissions through high quality carbon offsets.	Achieved <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	We achieved this goal through verified carbon offset programs. We will update this goal verbiage about “high quality” carbon offsets in this year’s report, as the definition for this term varies.
	Maintain water consumption at 2019 levels and balance our water use through water restoration credits	Achieved <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	In 2022, water consumption levels were 89% lower than they were in 2019.
	Reach and maintain waste diversion of 90% or great at HQ	Not Met <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	With only a 45% waste diversion rate at our headquarters, we have some work to do to meet this goal in future years.
	Maintain net-zero electricity consumption at HQ	Surpassed <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	In 2022, our solar arrays produced 99.8% more electricity than what was consumed throughout the year.

OUR PRODUCTS & SUPPLY CHAIN

Product and supply chain responsibility is top of mind to our customers, and for good reason. Every product has its own social and environmental impacts, some positive and some negative. The result of these impacts can change drastically, depending on different decisions made throughout the value chain.

As organizations shift toward more responsible goals related to their procurement strategies and waste diversion programs, we in turn are responsible for further evaluating our products and their impacts. Our social and environmental impacts become our customers' impacts.

Our products must meet consumer expectations AND future needs of the planet. We are working on improving our assessment of impacts through life cycle analysis, understanding of raw material capabilities, incorporating sustainability and legislative trends, and considering social concerns and certifications.

PRODUCT DEVELOPMENT IN 2022

Even though we did not reach 100% completion for our 2022 goals in this category, it was still a big year for product development. We realized that removing a product category from our lineup can be just as impactful as adding a new substrate. While there are challenges in ensuring we are providing the most responsible foodservice products available, we prefer to look at them as opportunities. The drivers of these opportunities include sustainability and legislation trends, circularity and infrastructure feasibility and community and climate needs.

[1] EXPANSION OF OUR VANGUARD® PRODUCT LINE

Our award-winning molded fiber Vanguard line of products made without intentionally added PFAS to provide oil and grease

resistance continues to grow. In 2022 we expanded our Vanguard offering to 77 SKUs! We continue to provide the largest range of molded fiber products made without added PFAS on the market, and expect the offering to continue to expand.

[2] NEW SUBSTRATE! PHA

We introduced a new substrate in 2022: polyhydroxyalkanoate, or PHA. We are excited to offer an additional plant-based material with durable, heat resistant properties with flexible end-of-life attributes including commercially compostable.

[3] REMOVAL OF PSM FROM OUR PRODUCT OFFERING

In 2022, we finally made the decision to remove Plant Starch Cutlery, or PSM Cutlery from our product lineup, and worked hard toward its full removal from our product offering. We talk more about this later in the report, but include it here as its removal demonstrates how we can use product innovation to directly support zero waste infrastructure. The transition of PSM cutlery to the Waddington North America division of Novolex occurred in March 2023.

[4] SCS RECYCLED CONTENT CERTIFICATION

The post-consumer recycled content used in our BlueStripe line of products became third party verified through SCS Global, allowing us to reach another milestone in beginning-of-life certifications. Products in our BlueStripe® family range from containing a minimum of 25% up to 100% PCR.

[5] PLASTIC ALTERNATIVES PROGRAM

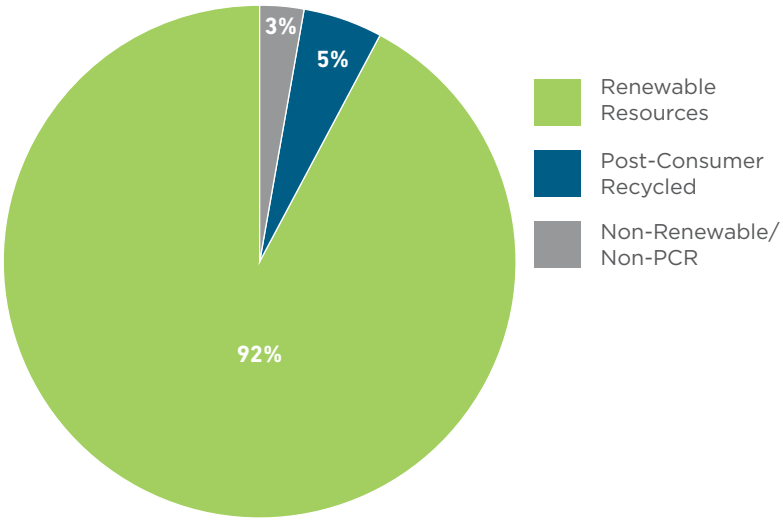
We are always looking for more innovative components for our product line, especially more alternatives to plastic, including PLA. In 2022 we explored alternative choices for our PLA products, including paper and wood cutlery, molded fiber lids and aqueous coatings. We look forward to launching more of these products in 2023 and beyond to help meet market needs in areas in which there may be restrictions on the use of PLA.

[6] BPI-CERTIFIED PAPER BAG FROM NOVOLEX

In partnership with Novolex, we added to our bundle a new BPI-certified paper bag intended for grocery stores and takeout restaurants. Eco-Products plans to adopt and expand this product line in 2023 as well.

Beginning of Life Attributes of Raw Materials Used to Make Products in 2022

Beginning-of-life characteristics of raw materials used to make products are measured by pounds of materials purchased.



Renewable Resources:

A plant-based raw material, like sugarcane, trees, or corn, that can grow back again and again.

Post-Consumer Recycled (PCR):

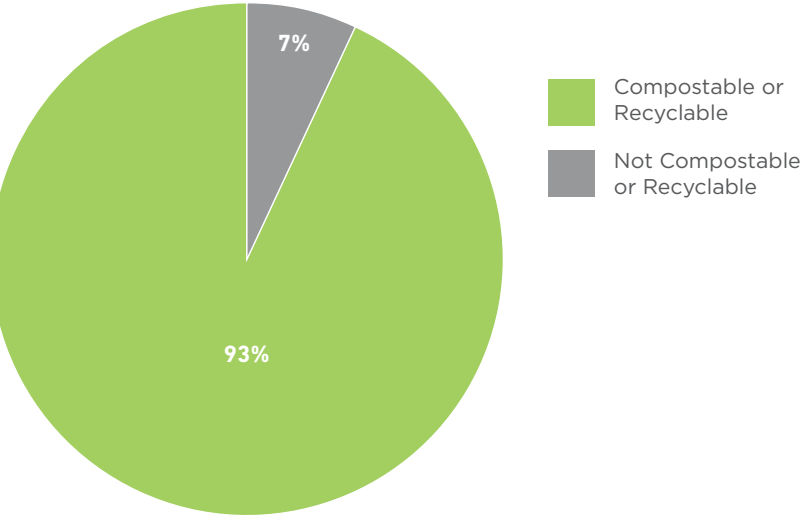
Resin made from post-consumer recycled content. Products that are made with this resin range from having 30 - 100% PCR resin in their makeup.

Non-Renewable/Non-PCR:

Resin made from non-renewable or non-PCR feedstocks such as virgin PET or Polypropylene. Products that are made with this resin range from having 1 - 70% virgin resin.

End of Life Classifications of Products Sold in 2022

End-of-life characteristics are measured through sales to customers.



Represents industry approved terms and qualifications for composting and recycling. Acceptance and recovery of products varies by community, composter or MRF. A compost facility or MRF that accepts these materials may not exist in your area.

Compostable or Recyclable:

These products are classified as one of the following:

- BPI-Certified Commercially Compostable
- Meets ASTM Standards for Compostability
- Using the How2Recycle guidelines are either: Widely Recyclable or Check Locally.

Not Compostable or Recyclable:

These items are not compostable or recyclable, and should be placed in the landfill stream.

AN UPDATE ON MOLDED FIBER PRODUCTS WITH NO-ADDED PFAS

We have been committed to developing the best molded fiber products made without intentionally added PFAS (per- and polyfluoroalkyl substance) since the launch of the Vanguard line in 2019. Vanguard products were the first molded fiber products made without intentionally added PFAS to be certified by BPI and the first to achieve Green Screen Certification. Since its debut, the Vanguard line has been expanded to nearly 80 SKUs and has seen its grease resistance performance improve, while dropping in price as we move to narrow the price premium between Vanguard and conventional formulations. CMA testing is in process, with one clamshell SKU having already achieved CMA-W approval, the first such no-added PFAS molded fiber package to achieve this certification.

Throughout 2022, we helped customers in California, New York State and Washington meet early 2023 compliance deadlines for requiring foodservice products with no-added PFAS. We will continue to work with customers in other states with upcoming legislation requirements including: Washington, Vermont, Colorado, Connecticut, Maine, Maryland, Minnesota, Oregon, and Rhode Island.

Moving forward, we are committed to ensuring any new or relaunched molded-fiber SKU introduced to US markets in the Eco-Products brand will only be made in the Vanguard no-added PFAS grease resistance formula.

For now, the conventional chemistry molded fiber products will continue to be offered in unregulated markets. The best way to identify our Vanguard line with no-added PFAS is to look for the BPI Certification Mark and “NFA” (no fluorine added) in the SKU number.



GreenScreen Certified™ Silver

Developed by Clean Production Action (CPA) and the Center for Environmental Health (CEH), GreenScreen Certified is an independent, non-profit certification standard that promotes the use of preferred chemicals in products and manufacturing. Silver certification prohibits the use of chemicals in the Restricted Substances List (RSL) – including PFAS – set within each product category plus thousands of chemicals listed on globally recognized chemical hazard lists. Every chemical used in the Vanguard® formulation went through evaluation. This certification attests that the product does not contain known chemicals of high concern to human health and the environment.

80+
VANGUARD®
PRODUCTS

BEGINNING-OF-LIFE CERTIFICATION

Beginning of life for raw materials is a critical component of our product and supply chain impacts. Considering how, why and where a raw material is procured is a healthy obsession of ours. We continue to strive for beginning-of-life certifications for our top five substrates, and regularly evaluate improvement opportunities for the other raw materials categories as well.

An update on our goal for beginning-of-life certifications for our Top Five substrates in 2022:

PLA:

Our Ingeo™ PLA, that is derived from corn, has maintained its ISCC+ certification. We identified an opportunity for Bonsucro certification for PLA derived from sugarcane, and will pursue this certification in 2023.

PLANT STARCH MATERIAL (PSM):

In 2022, PSM was in our Top Five substrate list. There are not beginning-of-life certifications for this product. We started the removal of this product from the Eco-Products offering in 2022, with its full removal in March of 2023. It will not be listed as a top five substrate for Eco-Products next year.

POST-CONSUMER RECYCLED PET (rPET):

We reached SCS Global certification for the rPET in our BlueStripe line of products. The rPET percentages in these products range from 30% - 100% rPET, depending on the products. This is an incredible accomplishment!

SUGARCANE:

We continued to explore Bonsucro certification for sugarcane sourced for our molded fiber products.

Though we did not achieve Bonsucro certification in 2022, we feel confident in our ability achieve it for the sugarcane used for our molded fiber products by 2025.

VIRGIN PAPERBOARD:

Though there are challenges in achieving beginning-of-life certification for paperboard, including cost and supply, we remain committed and hope to achieve Chain of Custody based beginning-of-life certification for our virgin paperboard products by 2025.

As shown in 2022, our “Top Five” substrates may fluctuate in future years as we continue to innovate. For example, you may notice that Post-Consumer Recycled Fiber (PCF) was previously in our top five substrate list, but was not included in this year’s review.

SCS Global Recycled Content Certification

The SCS Recycled Content Certification evaluates products made from pre-consumer or post-consumer material diverted from the waste stream. Certification measures the percentage of recycled content for the purpose of making an accurate claim.

To achieve certification, SCS conducts an third-party audit of the organization and the product(s) with recycled content. The audit checks for manufacturing data, processes, chain of custody procedures, material quantification and mass-balance calculations to determine conformance to the SCS Recycled Content Standard.

SUPPLY CHAIN: IMPACTS AND LONG TIME PARTNERSHIPS

While 2022 continued to be a rebound year from the supply chain disruptions caused by COVID-19, our approach to building meaningful relationships with our suppliers was validated and helped us through. Two-thirds of our supply chain is made up of suppliers and freight partners we have worked with for over ten years. Despite ongoing challenges, we still managed to get a lot of products into our customers’ hands, while pivoting as necessary and pulling back on certain parts of the bundle as needed. 2023 will see us move closer to our Pre-COVID bundle, while we thoughtfully bring back SKUs that matter the most to our customers and our mission.

Aside from product attributes, we also consider the social and environmental impacts of our manufacturing and transportation partners. It is the strength of our supply chain relationships that puts us in a position to work on incorporating more social and environmental impact metrics into our decision-making processes. In partnership with Novolex, in 2022 we relaunched the Intertek Supplier Survey, intended to evaluate social and environmental compliance and performance programs for manufacturing facilities in our supply chain. In terms of spend, 90% of suppliers were able to complete the process in 2022. As we continue to evaluate these impacts, we will incorporate the Novolex Supplier Code of Conduct, along with the Intertek Survey, to ensure responsibility throughout our supply chain.

In 2022, we took initial steps alongside Novolex in building a Scope 3 GHG Inventory. We are working toward accurate measurements that can support impactful reduction goals. We look forward to working together, at scale, on our integrated GHG reduction target setting process.

PRODUCT FOOTPRINT

Our 2022 Product Footprint was developed in partnership with our 3rd party LCA partner. We utilize this information to help our customers understand the CO2e impact of products they procure from Eco-Products.

In 2023, we plan to update our Product Carbon Footprint modeling process in partnership with Novolex. This may change how we are able to compare product CO2e measurements from year-to-year moving forward. As updates occur, we will be transparent in how it may impact the scope of the model, or ability to compare different versions of data incorporated into the model.

LOOKING TO THE FUTURE

As we look towards another 10 years of focusing on impact, we are constantly asking ourselves what we can do better.

We are dedicated to creating products that can evolve to help our customers meet emerging sustainability trends, operational needs, and legislative requirements. We are focused on the impacts the raw materials used in our products have on the environment, and will continue to work toward a full suite of raw materials with impactful beginning-of-life certifications. Finally, since the future of our planet also requires drastic cuts in GHG emissions and enhanced circular systems, we will continue to determine how to best meet these needs.

An enhanced focus on raw material impacts, the social and environmental impacts of our supply chain, carbon analysis through product footprint data, circularity innovations, and educating the public about the proper use and sorting of our products are all top of mind as we look ahead.



FUTURE GOALS

>>>>>>>>>>

OUR PRODUCTS & SUPPLY CHAIN

How our products impact our communities and the planet.

In 2023 we will:

- » Maintain current beginning-of-life (BOL) certifications, and achieve new BOL certification through FSC for wood items (cutlery, stir sticks), and Bonsucro certification for PLA derived from sugarcane.
- » Pilot the use of Post-Consumer Recycled content in Polyethylene product sleeves for PLA cups from our Chattanooga, Tennessee Facility.

By 2025 we will:

- » Maintain current beginning-of-life (BOL) certifications, and achieve BOL certifications for 50% of virgin paperboard and sugarcane.
- » Update the environmental standards for our products, by which Eco-Products continues to innovate to meet evolving expectations and technologies in sustainability, circularity and legislation.
- » Maintain supplier participation in the Intertek Supplier Survey. In combination with the Novolex Supplier Code of Conduct, use the survey to ensure ESG performance throughout our supply chain.
- » Continue working toward building our Scope 3 GHG Inventory, and in partnership with Novolex develop, plan and update targets through which we will work on Scope 3 GHG reduction target

2022 Impact Report

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ZERO WASTE INFRASTRUCTURE

Eco-Products is committed to supporting waste diversion systems. Commercial composting and recycling infrastructure has many challenges, but when all the pieces work in harmony, a more circular economy supports a brighter future for our communities and the planet.

Eco-Products is obsessed with circularity and the climate fighting opportunities it presents. We even have an entire team dedicated to supporting effective end-of-life solutions for our products, and will continue to support advancements in the system.

OUR TEAM

Our Product and Zero Waste Specialists (PZWs) and Sustainability Maven are zero waste zealots, advocacy aficionados, and circular crusaders. In 2022 we welcomed a new Sustainability Maven, and the PZW team grew to 5 individuals, now covering the entire US. Many of them also support our neighbors in Canada.

We know their work will continue to elevate zero waste infrastructure and circular success for our customers and communities.

The relationships built through their efforts are a testament to this team's effectiveness at expanding commercial composting infrastructure and implementing composting programs. They also leverage relationships and their own expertise to highlight the link between our products and broader climate and sustainability goals.

This type of relationship building, problem solving, and educating opens more opportunities for compostable foodservice products to find end markets, while also supporting our customers in their own sustainability journeys.



“Working as a Product & Zero Waste Specialist for Eco-Products allows me to participate in all of the things I love about the composting community. I get to help customers better understand their waste stream and how to divert the maximum amount of organics utilizing our products. I also get to work with some amazing people in colleges, universities, businesses and other places that are passionate and focused on creating healthy soils through waste diversion. Additionally, working with the haulers and composters across my region and connecting them to new opportunities is highly rewarding.”

Wayne Koeckeritz
PZW for the South

COMPOSTING

Composting infrastructure in the US has its challenges. While convenient compost access for food-service packaging is limited, we are focused on the opportunities that arise when the right components come together to effectively support infrastructure.

Some of those components include funding, collection, hauling, route density, and availability of feedstock. Perhaps the most important is operator and consumer understanding of why contamination from non-compostable products is such a problem, and what their role is in mitigating it.

In last year's report, we highlighted the main challenges to commercial composting. Though there is still a lot of work to do, we are happy to share some progress in addressing these challenges head-on in 2022.

It takes years of commitment from our teams, partnerships with the industry, and turning ideas into action to begin to see some of these results. Thank you to all our partners along the way!

CHALLENGE: CONTAMINATION

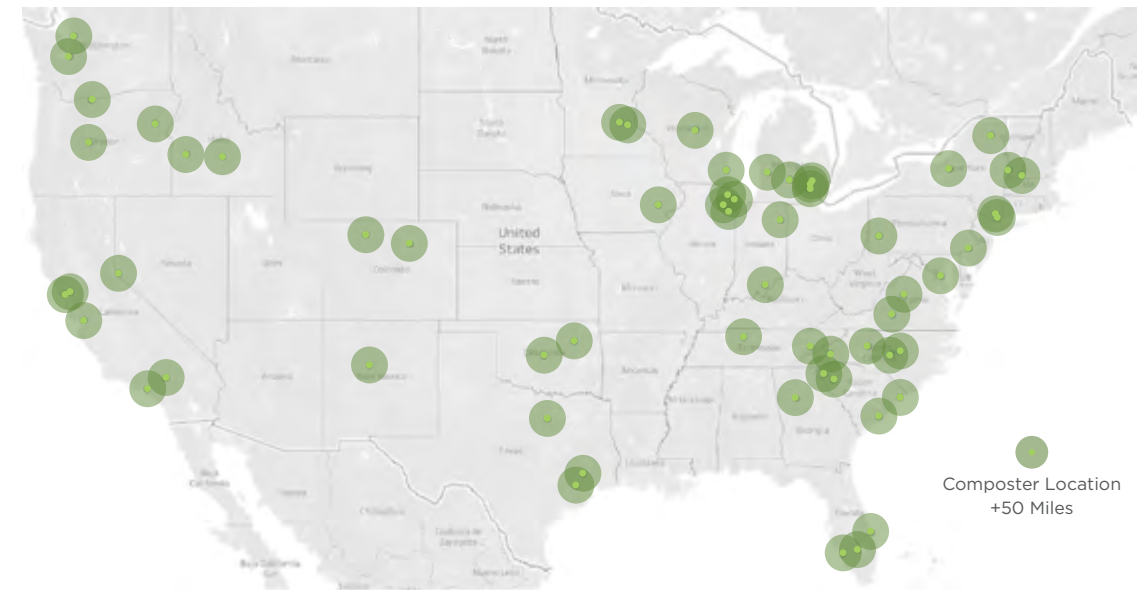
Contamination from non-compostable materials is the biggest challenge facing commercial composters. We understand this challenge and have been dedicated to working against it through the years. While we are proud of recent advancements we've made in tackling contamination, we know there is still more work to do.

Working toward the removal of Plant Starch Material (PSM) Cutlery from our product lineup

PSM is a mix of corn starch and polypropylene, and is a legacy material from a time when high heat offerings did not exist for bioplastics. It is **not compostable**. While Eco-Products made every attempt to explain these products were not compostable,

Access to Commercial Composting Continues to Expand in the United States

In 2021, we sponsored a study conducted by the CU Leeds School of Business showing that 57% of Americans live within 50 miles of a compost facility that accepts compostable food service packaging. While this does not equate to access, it does show the potential of access to commercial compost throughout the US from homes, at work, school, or entertainment and foodservice venues.



PSM Cutlery is Discontinued

In 2022, even with working through its removal from our product offering, PSM Cutlery was our third highest grossing product category. Proving what a difficult decision it was for our sales organization to remove the product from our offering, ultimately benefiting Zero Waste Infrastructure with the hope of reducing customer confusion and contamination to composters.

their inclusion in our GreenStripe family of products caused sorting confusion for consumers, operators and composters. These products continued to make their way to compost facilities as contamination, which is a huge problem. We knew we had to do something about it.

In 2022, we made the difficult decision to transition the PSM product line to Waddington North America, a sister business unit of ours within Novolex. The full removal of this product from the Eco-Products line-up occurred in March of 2023, with most of the heavy lifting taking place in 2022.

This transition is a win-win, as it removes contamination risk from the Eco-Products lineup, while nonetheless providing Waddington North America customers with a product made with more plant-based materials than their counterparts made with resin that comes solely from fossil fuels.

The CompostAble Chicago Study:

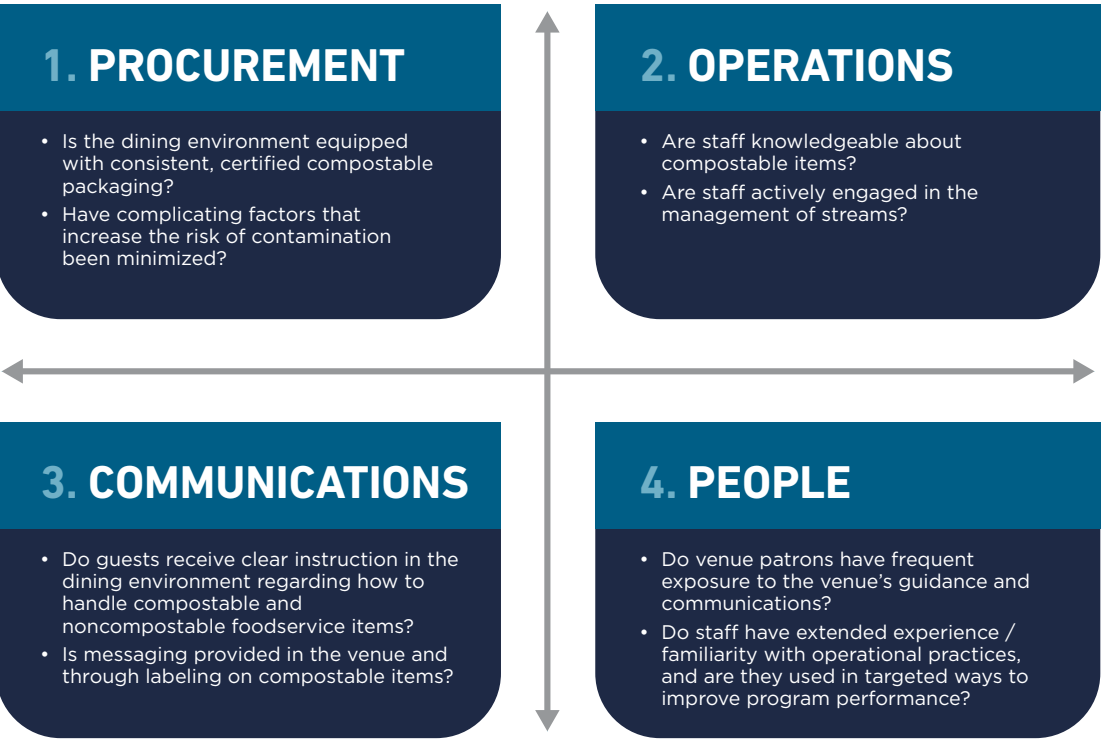
In 2022, Eco-Products collaborated with industry leaders on a study that found that foodservice operations could divert more food scraps and other materials from landfills by adopting compostable foodservice packaging as part of an integrated approach to their operations.

We were happy to see this study demonstrate that low levels of contamination, and higher amounts of food scrap diversion, are achievable when key best practices are implemented at the operator level. The study found four favorable operating conditions for successful front-of-house waste diversion: procurement, operations, communications and people. (See framework at right).

When properly applied, these factors resulted in increased organics diversion from landfills, and reduced contamination to composters, thereby serving as a guide to building and supporting successful composting programs.

Framework for Preventing Contamination

Developed through the 2022 CompostAble Chicago Project



Contamination Task Force in 2023 and Beyond

We are committed to launching the Eco-Products Contamination Task Force in 2023, and look forward to seeing how it could potentially change the industry. Working with composters, haulers, operators, distributors and community members, we are aiming to shed light on the issue of contamination and reduce its prevalence in composting systems.

In this work we will also evaluate strategies to support anti-contamination efforts, including evaluating labeling, public messaging, and product attributes.

CHALLENGE: DEGRADATION OF COMPOSTABLE PACKAGING AND LOCAL & STATE POLICY

Molded Fiber Degradation Study

As we previewed in last year's report, we are working with CMA to study molded fiber degradation in different compost technologies. In 2022, the study officially launched at three trusted compost facilities in the US. While the results are still being analyzed, we are excited about the opportunity this study and its report will provide to the industry to aspects of which are worth highlighting:

» Operational Variables and Cost Considerations for Effective Disintegration of Molded Fiber Products:

We tested operational variables that will lead to effective disintegration of molded fiber products in different compost technologies. As results were analyzed, we also devised a costing and operational feasibility grid with compost industry experts.

» Cost Considerations in Accepting All Compostable Products:

While discussing operational variables specific to molded fiber, we expanded the study to focus on overall acceptance of compostable foodservice products by commercial composters. With Extended Producer Responsibility (EPR) proposals on the rise in many states across the country, we know valuable information about the cost to composters to accept compostable foodservice products and food scraps will be essential in supporting composters better through EPR funding mechanisms. The study will be released in 2023, and we look forward to seeing how it will inform stakeholders on a variety of topics including regulatory proposal and composter operations.

CHALLENGE: AVAILABILITY OF FEEDSTOCK AND ROUTE DENSITY

Feedstock availability and route density are just some of the challenges our PZW team wrestles with when working with waste diverting operators, composters and communities to elevate zero waste Infrastructure. A key highlight in 2022 includes the support of a launch of a community kiosk program with a trusted and valued compost hauler distributor, Better Earth.(See next spread for details)

CHALLENGE: END MARKETS

In 2022, we worked on better understanding the challenges and opportunities for end market demand of finished compost. We discussed ideas for how Eco-Products can work with operators, communities, and composters to help close the loop with source separated organics. In 2023 we look forward to turning some of these ideas into action, and are committed to developing a program to better support end-market demand of finished compost by 2025.

CHALLENGE: LOCAL AND STATE POLICY

2022 proved to be the most active legislative year to date in our category. Our teams work hard to ensure our products and services can support options for compliance with different legislation obligations. Eco-Products advocates for responsible legislation and standards that will support the circular economy, including the responsible use of foodservice packaging.

Additionally, we were proud to work with trusted Industry Partners, BPI and USCC, hosted a working group of critical stakeholders to develop industry-approved guidelines for labeling requirements for compostable foodservice products.



The stakeholders included composters, haulers, product manufacturers, municipalities, USCC, BPI and CMA. The Eco-Products Sustainability Maven was proud to serve on the working group aimed at (1) Combatting contamination caused by consumer confusion, (2) Standardizing labeling principles of compostable packaging, and (3) Updating recommendations for consistent and effective labeling legislation.

CMA Field Testing

Through the Molded Fiber Study, one SKU from our Vanguard line of products passed the traditional CMA-W field test. We are proud to announce the first no-added PFAS molded fiber product to pass CMA's study.

Our catalog now includes about 60 field-tested products proven to work with composters. We are one of the Compost Manufacturers Alliance's (CMA) biggest, most consistent partners when it comes to field testing products and materials. We are proud to maintain the broadest acceptance in the industry at CMA partner facilities of our products, and we continue our partnership with composters in striving for CMA's approval on additional product types.



Composter Success Stories



BETTER EARTH LOGISTICS

Our friends at Better Earth Logistics, a composter and hauler distributor based in Peoria, Illinois, worked on launching a Community Kiosk in partnership with Eco-Products to accept takeout packaging for local restaurant patrons. This is set to launch in 2023. They set up a subscription service for about 200 neighboring households to increase access to commercial composting in the community. Thanks to their community work, Better Earth Logistics and Eco-Products together service many of the major economic engines in the local community, including Rivian!



WASTENOT COMPOST

WasteNot Compost in Chicago partnered on the Riverwalk project pilot to begin collecting cups from one of ten restaurants. They composted over 250K cups during the summer season of May – November in 2022, and will expand the program to include more restaurants and more items next year.



SPECIALIZED ENVIRONMENTAL TECHNOLOGIES (SET)

Specialized Environmental Technologies (SET) a WM of MN Company, is a valued composter partnering with all parties to provide commercial composting access to the Twin Cities metro. SET has participated alongside our PZW, Jamie Brown, in webinars with Chicago composters to advocate for acceptance of packaging in food diversion programs. They are always willing to share best practices with composters who are challenged or reluctant to accept compostable foodservice products.

These stories are shared with express permission from the parties involved.

EXPANSION OF COMMERCIAL COMPOSTING FOR FOODSERVICE PACKAGING IN OUR COMMUNITIES

This is where our PZW team shines in bringing together a wide diversity of stakeholders to co-create opportunities to expand recycling and composting unique to different communities. While we did not fully meet our goal of meaningfully supporting expansion of access to 5 communities in 2022, we supported expansion of access to 4 communities, and started promising work in 6 other communities.

We hope to tell the stories about those communities and more in next year's report!

[1] Bowling Green, Kentucky:

Compost Bowling Green Compost Bowling Green was founded by Charlie O'Connell to serve the residents and businesses of Warren County, Kentucky with commercial composting access. Their goals are to reduce waste while creating healthy soils for their customers. Our PZW Wayne Koeckeritz was able to support the expansion efforts.

[2] Dallas, Texas:

Champion Waste showed their commitment to reducing the amount of food waste that goes into local landfills each day by investing in the latest state-of-the-art blending technology to divert food waste and other organic materials. They work with local residential communities, schools, food manufacturing facilities, supermarkets, bakeries, restaurants, and multi-tenant buildings to help address this issue. Our PZW Wayne Koeckeritz was able to support the expansion efforts.



[3] Madison, Wisconsin:

Green Box provides composting services to residents and businesses in Sun Prairie and Madison, Wisconsin. Our PZW Jamie Brown was able to support sharing of their services with customers, along with connecting Green Box with experienced composters in the Midwest for additional industry support.

[4] Rochester, Minnesota:

Green RU, a food waste collection and hauling operation based out of Iowa, obtained permission to commence commercial compost hauling in Rochester, MN. Having collaborated on projects in the area, our PZW Jamie Brown began partnering with Green RU to connect them with interested large commercial operators in the area to get them on board with these services.

RECYCLING

While our main focus continues to be the circular and climate benefits of compostable food service products, we understand there is great value in recycling infrastructure development, not only for our BlueStripe line of products, but for circular systems in our communities. In 2023 we plan to revisit additional end-of-life opportunities for these products to provide circularity opportunities for our customers, especially those who do not currently have access to commercial composting facilities.

Keep an eye out for some exciting updates to our BlueStripe line, including focusing on anti-contamination efforts for these non-compostable products, and expanding its availability as our supply chain continues to rebound from recent constraints.

LOOKING TO THE FUTURE: ZERO WASTE INFRASTRUCTURE

What's the plan? Continue with this momentum!

To support zero waste Infrastructure, we plan continue to: focus on composter support, whether through anti-contamination efforts or building better end market demand for the finished product; focus on consumer awareness and action in proper sorting and use of our products; and focus on not only expansion of Zero Waste Infrastructure, but proper collection and recovery of our products as well.

Collaboration is Essential: Advocacy at its Best

We continue to nurture industry partnerships to advocate for the climate benefits of our products, and the potential additional environmental benefits we can see through the expansion of effective zero waste infrastructure.

National & Local Organizations we Work with to Improve Infrastructure include:



FUTURE GOALS

ZERO WASTE INFRASTRUCTURE

How we can ensure circularity through our products, regeneration through compost.

In 2023 we will:

- » Support expansion of access to commercial composting of foodservice packaging in at least 5 communities across the US, and 2 communities across Canada.
- » Launch the Contamination Task Force at Eco-Products, with the initial 2023 focus of tackling contamination issues to composters, cleaning up waste streams, and supporting better waste diversion efforts across the industry.

By 2025:

- » Develop program to better support compost infrastructure through effective end-market demand of finished compost.
- » Update labeling, consumer education and product development program to support effective end-of-life (EOL) scenarios of products through increased access and enhanced recovery. It is not just about access, but ensuring the products are collected, received, and recovered.



WASTE DIVERTING OPERATORS

Reaching the full environmental potential of our products requires effective partnerships with foodservice operators. From our favorite local coffee shops to large public venues, campuses, hospitals and airports – we are dedicated to working with operators on responsible sourcing, waste diversion and circularity initiatives.

In 2022, we had thoughtful discussions about the Waste Diverting Operator Pillar and decided to update the name of the pillar from “Zero Waste Operators” to “Waste Diverting Operators”.

There are different definitions of “Zero Waste”, some meaning an operator is third-party certified for having achieved a 90% landfill diversion rate. In those cases, the term “Zero Waste Operator” may lead the public to believe an operator that Eco-Products describes as “Zero Waste” is, indeed, diverting 90% of their waste from landfills. While we applaud these operators for their work, we technically do not “certify” their operations, nor do we continually track and validate their waste diversion rates. As such, the term “Waste Diverting Operator” fits this pillar better.

2022 IN REVIEW

Through collaborative efforts from our sales teams and PZWs, Eco-Products was able to help 26 Waste Diverting Operators implement or expand their front-of-house (FOH) waste diversion programs in 2022! Aside from these specific achievements, we’ve enjoyed working with different operators to assist with legislative updates in their regions, advise on effective sustainability program and goal development, and work together to expand responsible sourcing and waste diversion progress in the industry.

LOOKING TO THE FUTURE: WASTE DIVERTING OPERATORS

Introducing the Waste Diverting Operator Tune-Up Program, to launch in 2023! Along with our anti-contamination work, we realized that some of our long-time waste diverting operator partners could likely use some check-ins along the way to ensure they are doing everything they can to enhance their waste diverting efforts, reduce contamination, and better support waste diversion infrastructure. We are excited to see how it goes. We will continue our annual goal of welcoming at least 25 new Waste Diverting Operators to our family.



SNOOZE A.M. EATERY: ECO-PRODUCTS IS SNOOZE-APPROVED!

Our friends at Snooze an A.M. Eatery created a responsible sourcing standards program, called “Snooze Approved”. It has standards related to procuring food, disposables, cleaning chemicals and even building materials. When they finalized their program, we worked together to ensure the foodservice packaging they procure from Eco-Products meets their strict responsibility standards. They wanted products that were made from renewable resources or PCR, or that could be composted, recycled, or repurposed at the end of its useful life – and we delivered. We’re so glad to have such thoughtful foodservice partners as Snooze!

Waste Diverting Operator Success Stories



TAOS SKI VALLEY

This ski resort in New Mexico has been an Eco-Products customer for a few years, but in 2022 expanded their bundle to add more items with the goal of being plastic-free. Using an in-vessel composter onsite, their next goal is to start composting all their fiber and paper-based products with the help of signage and training support from Eco-Products.



SUMMIT VISITOR CENTER

The Summit Visitor Center at Pikes Peak – America's Mountain has been a long standing customer of Eco Products. In 2022, they were experiencing challenges sourcing certified compostables thus contaminating their compost stream. Our team worked with their distributor to ensure products were available, and created a purchasing guide to help their chefs know what products to buy. Our Rocky Mountain PZW met with their sustainability specialist to make suggestions to reduce contamination at their café. We love that they use Eco-Products as a visual to educate guests about proper sorting of their waste!

FUTURE GOALS



**WASTE
DIVERTING
OPERATORS**

How we treat our employees, communities and individuals working throughout our value chain.

In 2023 we will:

- » Help at least 25 US foodservice operators, and 3 Canadian foodservice operators, implement a FOH Waste Diversion Program.
- » Develop the Waste Diverting Operator Tune-Up Program. Conduct the tune up with 10 current Waste Diverting Operators to ensure Waste Diversion success is still occurring, hoping to reduce contamination and support waste diversion infrastructure across the US.

By 2025:

- » Enhance training program and support for Waste Diversion success at the operator level. To include updates to training manuals and support to drive proper waste diversion practices, reduce contamination, and get closer to Zero Waste.
- » Using the Waste Diverting Operator Tune Up Program, all Waste Diverting Operator partnerships finalized before 2024.



PEOPLE

Respect for people and communities is just as critical as respect for the planet and future generations. Eco-Products is committed to taking care of our employees, giving back to our communities, and ensuring proper human rights practices throughout our supply chain.

ECO-PRODUCTS EMPLOYEES AND CULTURE

Our people remain the most important asset in our company. We are proud to have built a company for which so many passionate people want to work. We keep pushing towards our vision and mission because we are powered by people motivated to serve our communities and work towards a more circular and zero waste world.

Just as we keep innovating with our products and circular solutions, we also keep working to build a company culture that is inclusive, diverse, entrepreneurial, and action oriented. We know that we’re a better, more successful organization when all our employees feel welcome and can bring their whole selves to work.

COMPANY CULTURE

As with many organizations, in 2022 Eco-Products began to “get back to normal” from the completely remote times of COVID-19. As travel ramped back up, so did in-person meetings, holiday gatherings and larger group volunteer opportunities. Our company culture clearly plays a big role in our employees’ satisfaction. We acknowledge we have work to do to enhance employee experience and culture in the post COVID-19 times.

Each year, we conduct a Values Survey with our employees. This anonymous survey polls our employees to rate how they believe we live up to each of our core values and how it feels to be an Eco-Products

employee. With its anonymous nature, we receive honest comments from our employees about how they believe Eco-Products performs as a people and mission focused organization. Though we received mixed results in 2022, more employees believe Eco-Products is living up to its core values than those who do not. Through the written responses, it is clear that employees respect the Eco-Products value proposition and its mission and vision. This inspires us to continue to do the hard work required to ensure we are transparent, honest, and innovative. We take any negative responses to heart and view them as opportunities to improve upon the effectiveness, vibrancy, and fairness of our organizational functions.

JUSTICE, EQUITY, DIVERSITY, AND INCLUSION COMMITTEE

In 2020 we launched the Eco-Products Justice, Equity, Diversity and Inclusion (JEDI) Committee. Employees jumped right into participation, and progress was made in terms of recruiting from a more diverse pool of candidates, and goals for giving back to our communities.

In 2022, meetings for the JEDI committee were placed on a brief pause, so we unfortunately did not reach our goal of meeting quarterly throughout the year. In 2023 we will bring back quarterly JEDI Committee meetings, in addition to some JEDI focused training sessions.

We know this committee supports a valuable compo-

nent of the work we do. With support from the Novolex DE&I initiative, we are committed to bringing our JEDI work back to the forefront of our Impact Strategy in 2023.

HIRING

A lot of JEDI work starts with how we recruit employees to work for Eco-Products. In 2022 we met our goal of publishing all open positions to associations for underrepresented groups.

Another goal was to “Not hold any interview process without including at least one candidate from an underrepresented group.” While established with the right intentions to ensure we bring more diverse candidates to the table during the recruitment process, as we continue to learn more in our JEDI journey, we understand this goal may not fully meet its intended focus. Not all dimensions of diversity are obvious, apparent or visual – nor does this goal as written ensure biases will not be present during the recruitment process. We decided to remove this as a written goal, but are dedicated to revisiting this process to ensure we continue to work toward its initial intention.

Novolex describes diversity as “The unique differences, both visible and invisible, in the identities, experiences, abilities and backgrounds of our people.” With “Recruitment” on of the five pillars of the Novolex DE&I program, we will continue to collaborate efforts to develop recommendations and trainings to improve diverse sourcing of professionals. Through



In June 2022, during our Summer Sales Meeting, our teams had the opportunity to volunteer for the City of Boulder at Chautauqua Park in Colorado. They spent 4 hours working to restore hiking paths for the beloved community trails in this beautiful park. It was hard work, but a lot of fun!

Other Organizations

Our People Volunteered for:

- Boy Scouts of America
- Brimfield Elementary School
- Cake4Kids
- City of Boulder
- City of Lafayette Public Art Committee
- Colorado High School Cycling League
- Community Development for All People
- Community Food Share
- Community Gardens
- Denver Public Schools
- Eco-Cycle
- Fairfax County Animal Shelter
- Food Bank of the Rockies
- Foothills Animal Shelter
- Girls Scouts of America
- Growing Gardens
- Hygiene Elementary School
- Longmont Food Rescue
- Louisville Metro kNOW Waste
- Mary Esther Gonzales Senior Center
- OneTreePlanted
- Oregon Humane Society
- Rainier Beach Action Coalition
- Rangeley Lakes Regional School
- Red Cross
- Stober Elementary School
- There With Care
- Vista Village Community Association
- Warrior Dog Rescue
- Wayne County Career Center
- Willow Elementary School
- Plains Center Conservation Center
- Women’s Bean Project
- Wreaths Across America

these learnings and collaboration, we plan to update the standards by which Eco-Products conducts its hiring process. This is reflected in the 2023 goal work for People.

As we continue to grow, we expect our employee base to grow as well. We understand the value of diversity within our workplace and our communities, and are committed to continuing this important work.

COMMUNITIES THROUGHOUT OUR VALUE CHAIN

VOLUNTEERING AND COMMUNITY ENGAGEMENT

Our employees pride themselves on being stewards of the Earth and good citizens of our local communities. Our employees can be found volunteering in their communities for anything from animal rescue efforts to public park clean-ups, to helping at their local schools.

Eco-Products offers 8 hours of paid volunteer time to each employee annually. We have a goal that 55% of Eco-Products employees will utilize their Volunteer Time Off (VTO) annually, and **in 2022 our teams surpassed this goal. 72% of Eco-Products employees took advantage of their paid volunteer time!**

SOCIAL FOCUS IN OUR SUPPLY CHAINS

We are proud to apply the Novolex Supplier Code of Conduct to all our sourcing partners, which follows strict social standards of operations throughout our supply chain. As shown in our Products and Supply Chain pillar, we plan to revisit these impacts through 2025 to develop a better understanding of needs within these communities and act as needed to enhance the social wellbeing of communities throughout our value chain.

~\$1.2
MILLION WORTH
OF PRODUCT DONATED

COMMUNITY DONATIONS PROGRAM

Eco-Products donates in-kind products and services to the responsible sourcing and waste diversion efforts of organizations and events within our communities. In addition to product donation we sometimes also offer waste diversion services of our PZW team to assist with logistics including finding a composter, finding a hauler, setting the event up for waste diversion success, etc.

COMPOSTER/HAULER DISTRIBUTOR PROGRAM

We did not meet our goal of adding 3 Composter, Hauler, Distributor (CHD) business partners who qualify as economically or socially disadvantaged enterprises in 2022. However, we had thoughtful conversations with at least 3 CHDs whom we predict will be welcomed into the program in 2023. Through these discussions, we've heard the program is well received, as it is beneficial in supporting the entrepreneurial focus of these important CHD partners. We look forward to seeing the impact this program can have on the composter and hauler community!

LOOKING TO THE FUTURE: PEOPLE

We plan to continue the positive components of our People-focused programs. We acknowledge there is room for improvement with our JEDI programs, and are committed to revisiting these efforts in 2023 to ensure our programs and standards best reflect our intention of respect for all human beings. We look forward to seeing where this work will lead us, and how it will ultimately affect our communities.

Employee Spotlight:

Mimi Pucak is a project coordinator and is responsible for keeping the marketing team on track. Beyond her daily job, she is also a Chair on the Eco-Products JEDI committee. In 2022, in addition to becoming a new mom, Mimi coordinated multiple group volunteer opportunities, ensured the volunteering newsletter was published each month, managed our donation requests and collaborated with sales coordinators to ensure timely delivery of our products to requestees. She is very passionate and organized, keeps the committee on target and always brings new ideas on ways to improve the program.



Jaime O'Layo, one of our Product Managers, enjoys spending time volunteering to deliver food to those in need in the community, and also shoveling for senior citizens in her area. "I love that Eco-Products gives employees encouragement to volunteer and do good in their communities by way of dedicated time off."



FUTURE GOALS



OUR PEOPLE

How we treat our employees, communities and individuals working throughout our value chain.

In 2023 we will:

- » Welcome 5 new Composter, Hauler, Distributors (CHDs) who qualify as economically or socially disadvantaged businesses.
- » Integrate with Novolex DE&I initiatives to ensure hiring practices and company culture are embedded into Eco-Products JEDI programs.

Every year moving forward we will:

- » Hold quarterly JEDI committee meetings
- » Publish open positions to associations for underrepresented groups
- » Have at least 55% of employees take advantage of PTO for Volunteering
- » Have at least 90% of our employees include a sustainability and/or JEDI goal in their performance-based goals



OUR OPERATIONS

We understand that as we work to help improve the impacts of our customers and our communities, we must also focus on “how” we get our work done, and how that impacts the planet. We’ve tracked key operational sustainability metrics since before we published our first annual report. This has helped us direct resources to the best strategies for reducing our operational footprint on the planet.

OPERATIONAL CARBON FOOTPRINT

We measured our operational carbon footprint from our Boulder, Colorado headquarters since 2010, and have been publishing the data and setting goals for improvement since 2013. Throughout that time, industry standards for what should be included in an operational footprint calculation have evolved. Which we believe is a good thing! As we understand there is always room for improvement, we strive to continually update our inventory process to ensure all the data we can track is accounted for, and our inventories are as sound and accurate as possible.

In 2022, our emissions increased by 27% over 2021, but decreased by 16% from our 2013 baseline, which is the first year we reported on this data. As the world continues to recover from the COVID-19 public health emergency, in person events and meetings are back, business travel is back, and more employees are commuting to our headquarters.

ENERGY USE AT HEADQUARTERS

Each year we set ourselves targets for energy consumption with the goal of maintaining net-zero electricity consumption at our headquarters. We have maintained net-zero electricity consumption at headquarters every year since we first achieved net-zero electricity use in 2020.

In 2022, our rooftop solar panels generated 99.8% more electricity than we consumed!

In 2022, electricity use was 1% lower than 2021, and 9% lower than our 2013 baseline. As we continue some work-from-home flexibility with our employees, we’ve seen an overall decrease in total electricity consumed at headquarters as well. This contributed to the increase in our solar power share. As our solar generation is significantly higher than our usage, we are confident that we will be able to successfully maintain our net-zero electricity consumption status at the headquarters going forward.

WATER USE AT HEADQUARTERS

This year extreme drought conditions and interstate negotiations over water rights highlighted the true severity of our water crisis in this state and the rest of the Colorado River Basin. As a company based in Colorado, the heart of the Rocky Mountain West, we at Eco-Products understand how critical water resources are to our communities. So, at our headquarters, we try to do our part to conserve and regulate our water usage.

Like our energy use targets, the clock starts over every year with our water use goals. We strive each year to maintain our company headquarters’ water consumption at the same volume as it was in 2019 no matter how many employees work at our headquarters or how big our company gets.

Water consumption in 2022 was much lower than 2021, at an 82% decrease, and 89% lower than

our 2013 baseline. This decrease in water usage is surprising considering some employees returned to the office during 2022. Since this seems as though it could be an anomaly, we will continue to take action to conserve water as we resume more in-office activities.

MATERIALS AND WASTE AT HEADQUARTERS

As a company focused on creating and expanding Zero-Waste solutions, we at Eco-Products strive for our daily operations to embody this mission too. We set ourselves an ambitious waste diversion target of at least 90%. In 2022, we diverted 45% of the waste that we created at our headquarters. This is a decrease in waste diversion from 2021 and pre-pandemic levels in 2019. Some of these steps backward could be related to inconsistency in occupancy levels and activities at our headquarters, and needing to update waste assumptions with shared bins. In 2023 we will enhance waste diversion efforts at our headquarters, and revisit measurement efforts to ensure accurate account of all waste that leaves our building.

BUSINESS TRAVEL

In 2022, we were excited to resume business travel activity and meet with some of our customers, stakeholders, and partners in person. As such, miles driven and flown to these meetings increased dramatically compared to 2020 and 2021. Business travel emissions increased by 572% from 2021,



but were still 54% below business travel emissions from our 2013 baseline.

We set a goal to decrease business air travel emissions flown per \$1,000 in sales by 5% compared to 2019 levels. Relative to our company’s total revenue, emissions from business air travel in 2022 were 59% lower than 2019. While some business travel resumed during 2022, the ability to conduct our work virtually provides opportunities to continue to keep business travel emissions low moving

forward. The last two years have shown us that we can successfully support our customers and pursue our mission both in person and virtually.

EMPLOYEE COMMUTING

As we have slowly recovered from COVID-19, we have implemented a “new normal” of partial remote work. This provides flexibility for our employees and reduces the emissions produced from our commuting activities. In 2022, employee commute emis-

When compared to 2013, 2022 Operational Metrics Are:

On-Site Solar Produced

44%

Electricity Consumption

42%

Water Consumption

89%

Carbon Emissions from Business Travel

54%

Waste Diverted from Landfill in 2022

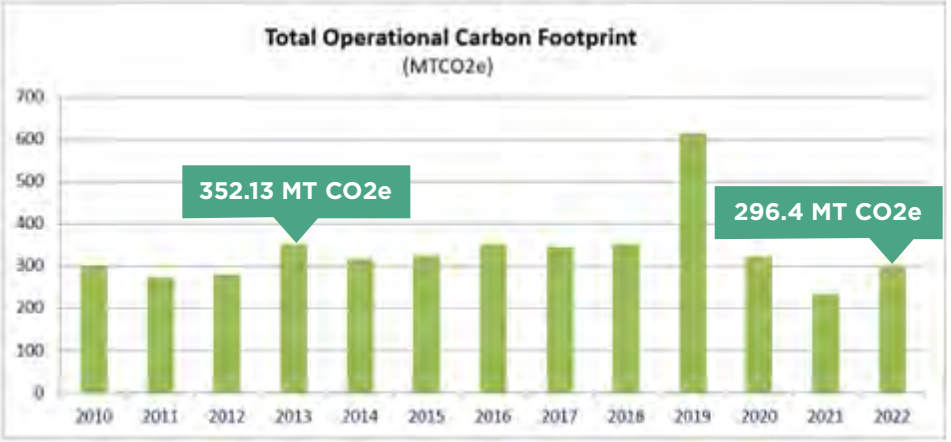
45%

sions were 102% higher than commute emissions in 2021. This is expected as there was an increase of in-office work during 2022.

Even with this increase from 2021, commute emissions were still 77% lower than pre-pandemic levels in 2019. Removing the need for some commute activity through remote work is an effective way to reduce commute emissions. While commuter emissions are expected to remain lower than pre-pandemic levels moving forward, there are still opportunities for us to minimize the impact of the remaining commuting. We will continue to investigate ways to encourage the use of transit or multi-modal options and low- or zero-emission vehicles moving forward.

LOOKING TO THE FUTURE: OPERATIONAL SUSTAINABILITY

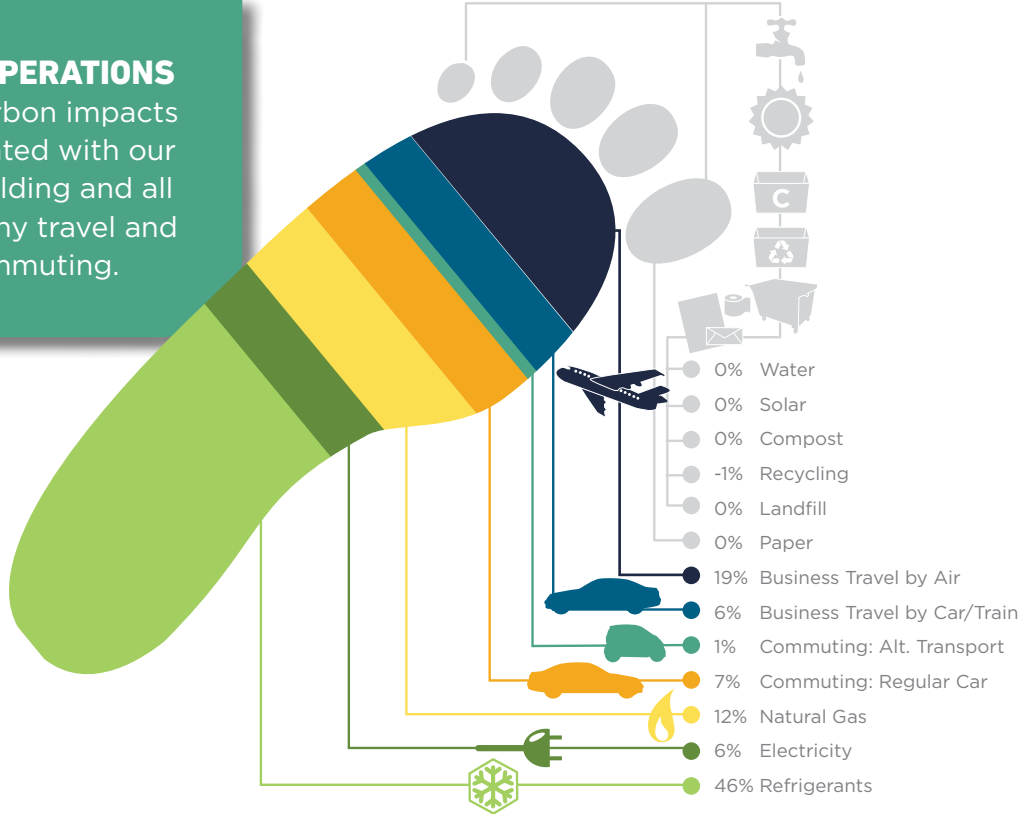
We're proud of the work we do in operations to reduce our carbon and environmental footprint, but we also recognize that our operations make up a tiny fraction of a product's overall carbon footprint. By setting ourselves these annual targets, we commit to making resource efficiency standard practice at Eco-Products so we can dedicate more of our energy towards other aspects of our carbon footprint.



Operational emissions in 2022 were 16% lower than they were in 2013, which is the first year we publicly shared this data

OUR OPERATIONS

The carbon impacts associated with our HQ building and all company travel and commuting.



Footprints are calculated through an external consultant. The scope of the footprint broadens as industry standards suggest additional measurements, or updates in calculations. The 2022 Operational Footprint includes energy, water, waste and refrigerant data from Eco-Products Headquarters, both business and commuter travel, and paper use.

FUTURE GOALS

OUR OPERATIONS

How does “how” we get our work done impact the planet and our communities?

In 2023 we will:

» Maintain our normalized carbon dioxide (CO2e) emissions from business travel at 5% lower than relevant 2019 travel.

Every year moving forward we will:

- » Offset our operational emissions through high quality carbon offsets.
- » Maintain water consumption at 2019 levels and balance our water use through water restoration credits.
- » Reach and maintain waste diversion of 90% or greater at headquarters.
- » Maintain net-zero electricity consumption at our headquarters.

ECO-PRODUCTS GOALS: 2023-2025

We strive to make sure we're always improving upon our social and environmental impacts.

The decisions we make have the potential to ripple throughout our communities and the industry.

We conduct this annual reporting process to keep ourselves honest and transparent, and to be what we hope is the opposite of complacent. We hope these future goals continue to drive us in the direction of more positive impacts.

In 2023, we plan to revisit our impact strategy to ensure we are focusing on the most material impacts of our business, and working on the most impactful projects that truly move our industry forward. We are committed to supporting a healthier future for the planet and our communities, and hope to bring our employees, partners and industry along with us.

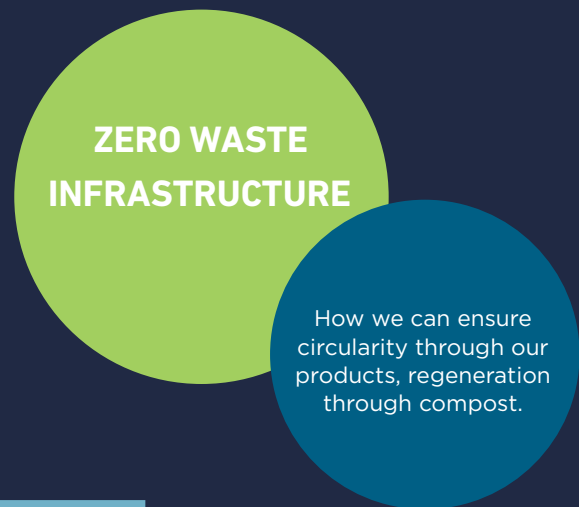


In 2023:

- » Maintain current beginning-of-life (BOL) certifications, and achieve new BOL certification through FSC for wood items (cutlery, stir sticks), and Bonsucro certification for PLA derived from sugarcane.
- » Pilot the use of Post-Consumer Recycled content in Polyethylene product sleeves for PLA cups from our Chattanooga, TN Facility.

By 2025:

- » Maintain current beginning-of-life (BOL) certifications, and achieve BOL certifications for 50% of virgin paperboard and sugarcane.
- » Update the environmental standards for our products, by which Eco-Products continues to innovate to meet evolving expectations and technologies in sustainability, circularity and legislation.
- » Maintain supplier participation in the Intertek Supplier Survey. In combination with the Novolex Supplier Code of Conduct, use the survey to ensure ESG performance throughout our supply chain.
- » Continue working toward building our Scope 3 GHG Inventory, and in partnership with Novolex develop, plan and update targets through which we will work on Scope 3 GHG reduction targets.



In 2023:

- » Support expansion of access to commercial composting of foodservice packaging in at least 5 communities across the US, and 2 communities across Canada.
- » Launch the Contamination Task Force at Eco-Products, with the initial 2023 focus of tackling contamination issues to composters, cleaning up waste streams, and supporting better waste diversion efforts across the industry.

By 2025:

- » Develop program to better support compost infrastructure through effective end-market demand of finished compost.
- » Update labeling, consumer education and product development program to support effective end-of-life (EOL) scenarios of products through increased access and enhanced recovery. It is not just about access, but ensuring the products are collected, received, and recovered.

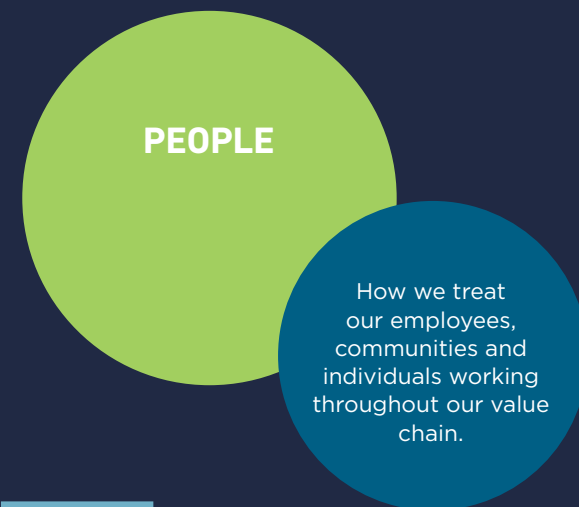


In 2023:

- » Help at least 25 US foodservice operators, and 3 Canadian foodservice operators, implement a FOH Waste Diversion Program.
- » Develop the Waste Diverting Operator Tune-Up Program. Conduct the tune up with 10 current Waste Diverting Operators to ensure Waste Diversion success is still occurring, hoping to reduce contamination and support waste diversion infrastructure across the US.

By 2025:

- » Enhance training program and support for Waste Diversion success at the operator level. To include updates to training manuals and support to drive proper waste diversion practices, reduce contamination, and get closer to Zero Waste.
- » Using the Waste Diverting Operator Tune Up Program, all Waste Diverting Operator partnerships finalized before 2024.



In 2023:

- » Welcome 5 new Composter, Hauler, Distributors (CHDs) who qualify as economically or socially disadvantaged businesses.
- » Integrate with Novolex DE&I initiatives to ensure hiring practices and company culture are embedded into Eco-Products JEDI programs.

Every Year Moving Forward, we will:

- » Hold quarterly JEDI committee meetings
- » Publish open positions to associations for underrepresented groups
- » Have at least 55% of employees take advantage of PTO for Volunteering
- » Have at least 90% of our employees include a sustainability and/or JEDI goal in their performance-based goals



In 2023:

- » Maintain our normalized carbon dioxide (CO2e) emissions from business travel at 5% lower than relevant 2019 travel.

Every Year Moving Forward We Will:

- » Offset our operational emissions through carbon offsets
- » Maintain water consumption at 2019 levels and balance our water use through water restoration credits
- » Reach and maintain waste diversion of 90% or greater at HQ
- » Maintain net-zero electricity consumption at HQ



Email your comments or questions to
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