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

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.

WHO WE ARE
At Eco-Products we believe waste can be a wonderful thing. A bottle can be recycled into a BlueStripe® cup. An unfinished meal to-go can nourish our soils. A take-out container with food scraps can be sent to the compost.

It sounds hard, but it’s our job to figure it out. We obsess over things like composting, recycling and a product’s lifecycle. We put specialists in the field to work with local communities to expand access to commercial composting and recycling. We seek out opportunities in our everyday operations to curtail environmental impacts.

We believe there’s purpose in our plates. There’s consciousness in our cups. There’s potential in your humble food scraps.

You don’t need to be an expert to understand. Together we can turn the end of a meal into a planet of possibilities. At Eco-Products, we put waste to work.

We are pleased to issue our ninth annual sustainability report with goals and commitments to become even more environmentally and socially responsible.

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With the UN Climate Change Conference in Glasgow (COP26) discussions still at the top of our minds, our commitment to the Eco-Products mission remains steadfast. Despite the highs and lows from COP26, we were extremely heartened by the international commitment to address methane emissions as a significant contributor to climate change. This commitment is a potential game changer for the compostable packaging industry.

We pride ourselves on the use of our products to help keep food scraps out of the landfills, thereby preventing organic matter from breaking down in the absence of oxygen and creating methane. Compostable packaging has long been demonstrated to help operators collect front-of-house food scraps and our track record of helping create these success stories is strong. With this focus in mind, we head confidently into 2022 knowing the urgency and awareness of the connection between food waste and climate change has never been stronger.

At the same time, it is hard not to be cognizant of the challenges to our category that remain. The vast majority of packaging is rarely reused, recycled or composted and most front-of-house food scraps are rarely diverted. The inertia of the status quo is real. We’ve been advocates for change to this model for years and we’re increasingly encouraging to see the expanding commitments from brands and legislators that are making commitments to move packaging to reusable, recyclable or compostable standards.

This year was another exciting one for us at Eco-Products. While we couldn’t list all of our highlights, here are a few that I felt were important milestones:

- Vegware itself is a global leader in compostable packaging with one of the strongest teams in our segment. Today more than ever before, we are able to offer global solutions to the global challenge of packaging waste. After all, microbial populations don’t care about international boundaries, and our solution set shouldn’t either. Regardless of country or region, the mission of Eco-Products has never been about just packaging but rather food waste recovery and driving circularity.

Vegware is a potential game changer for the compostable packaging industry.

This year was another exciting one for us at Eco-Products. While we couldn’t list all of our highlights, here are a few that I felt were important milestones:

1. **GreenScreen Certification**: We are proud to have achieved GreenScreen Certified™ Silver for our Vanguard line of molded fiber products. Eco-Products is the first foodservice packaging firm to achieve this designation which certifies that our Vanguard® line is not only free of intentionally added per- and polyfluoroalkyl substances (PFAS), but also made of ingredients that are assessed as safe for the environment and human health. This was a multiyear undertaking done in collaboration with the Novolex Innovation Team and I am immensely proud of the work that our team did to get us to this place.

2. **Supply chain resilience**: In 2021, our global supply chain has never been more challenged. Nevertheless, we continued to find ways to adjust our model and adapt to the changing circumstances. Our category was tested without a doubt, but we can see with confidence that our team has held together and we are strong in the face of this adversity.

3. **Composting infrastructure progress**: Our Product and Zero Waste (PZW) Specialist team continues to grow and is now a robust group of waste diversion focused professionals. Their investment has yielded numerous advancements in both well developed and nascent markets for commercial composting.

The work doesn’t end here, and we have much to be excited about in the coming year. We plan to continue improving our Vanguard line and look forward to achieving higher levels of GreenScreen certification, while also executing chemistry hazard assessments on additional product categories. We will push forward on our supply chain certifications such as Rainforest Alliance for sugarcane-based products and Forest Stewardship Council® (FSC) for paper-based products. These pages reflect our ongoing commitment to continue to set aggressive goals for our company and our category. While we don’t always achieve the goals we set, we do always strive to be better.

So, as always, I hope that you enjoy this year’s Sustainability Report. This is our 9th report since we began setting public facing goals and assessments. While the faces of our team we have changed with time and the breadth of our reach has broadened, we remain true to our mission to be at the vanguard of our Zero Waste future.

**“2021 was the year when Eco-Products took meaningful steps forward as a global leader in our category.”**

LETTER FROM THE PRESIDENT

IAN JACOBSON
THE ECO-PRODUCTS DIFFERENCE

Eco-Products is a Zero Waste pioneer, a certified B Corp, and a leading brand of environmentally preferable foodservice packaging.

At Eco-Products, we are passionate about what we do and we bring that sense of purpose to work every day. Not only do we make our products using renewable resources and post-consumer content, but we lead the industry in growing waste diversion practices and composting infrastructure. We work together with our employees, customers, composters, and communities to achieve their goals and influence real change.

We are proud of our work and leadership but we are never complacent. Year after year, we set more ambitious goals to grow waste diversion practices, provide more innovative products and expand infrastructure into new markets.

As a certified B Corp® we are adamant about responsible, sustainable, and transparent operations. In alignment with these principles, we strive for continuous improvement within our company, the communities we operate, and at a global scale. Through the continuous monitoring of sustainability trends and best practices, we at Eco-Products set targets that align with global efforts, like the United Nations Sustainable Development Goals, that work toward the betterment of people and the planet.

Eco-Products also benefits from the wider sustainability reporting scope of our parent company Novolex whose 2021 Sustainability Report was recently published and whose programs are referenced throughout this report.

ABOUT THIS REPORT

Eco-Products’ ninth annual sustainability report highlights our successes and progress regarding our social and environmental goals. We believe that Zero Waste is a key solution to the climate crisis and are excited to share our story.

Our external Sustainability Advisory Committee, comprised of experts from a variety of sectors, continues to help us optimize and report on our sustainability and social impact. In 2021, we welcomed Clinton Sander from AI Organics to our advisory committee. The full list of Eco-Products Sustainability Advisory Committee members includes:

- **CLINTON SANDER**  
  Marketing Manager, A1 Organics

- **DAVE NEWPORT**  
  Director of the Environmental Center, University of Colorado

- **ERIN STECKER**  
  Director of CleanTech Client Management, Schneider Electric

- **JENNIFER LEITSCHE**  
  Managing Director of Climate Change and Sustainability Services, Ernst and Young

- **KATE BAILEY**  
  Director, Eco-Cycle Solutions

- **RAMSAY HUNTLEY**  
  Vice President and Clean Technology and Innovation Philanthropy Program Officer, Wells Fargo

- **SARAH MARTINEZ**  
  Director of ESG Strategy & Stakeholder Engagement, The Clorox Company

- **TIM BEAL**  
  Director of Sustainable Communities, Boulder Housing Partners

- **VIRGINIA “G” WINTER**  
  Principal, Equinox Consultancy LLC

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

HEADQUARTERS:  
Boulder, Colorado

PARENT COMPANY:  
Novolex

United Nations Sustainable Development Goals

- **What Eco-Products is Doing**
  - We help compost manufacturers grow their businesses by helping them to expand the materials they take, including our compostable GreenStripe products, and increase the amount of food waste that they capture.
  - We are also helping to grow market demand for post-consumer recycled materials by increasing the use of secondary resources in our BlueStripe products.
  - By using our GreenStripe products, foodservice operators can establish and scale successful Zero Waste systems that divert both packaging and food scraps from landfills.
  - Our BlueStripe products incorporate post-consumer recycled materials, keeping valuable material out of the landfill and giving it a second life.

- **What Eco-Products is Achieving**
  - We connect our stakeholders and customers with meaningful opportunities to mitigate climate change through Zero Waste systems.

- **Certified B Corporation**
  - We help compost manufacturers grow their businesses by helping them to expand the materials they take, including our compostable GreenStripe products, and increase the amount of food waste that they capture.

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

- **HEADQUARTERS:**
  - Boulder, Colorado

- **PARENT COMPANY:**
  - Novolex

- **67 EMPLOYEES**
- **2021 REVENUE**
  - $380+ MILLION
- **450+ PRODUCTS**

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In 2021 we achieved many of the goals that we set for ourselves, and we continue to work towards those in progress or were not achieved. Our work to support Zero Waste solutions is ongoing and our passion for it drives us towards success.

**Zero Waste Infrastructure**

- **In 2021, we will increase familiarity with international commercial composting infrastructure in markets that are increasingly using compostable packaging.** We see tremendous interest in a few key markets, specifically in Europe through our partnership with Vegware. Their extensive footprint is extremely familiar with commercial composting infrastructure across many key markets in Europe and especially in the United Kingdom. We look forward to continued engagement in Europe with our Vegware team heading the way.

- **Extended Producer Responsibility continues to be a key topic in the packaging industry. We worked this year to better understand what this would mean for us and how this strategy would help us to improve our performance.**

- **In 2021, we will develop a position on what Product Stewardship/Extended Producer Responsibility for compostable packaging could look like.**

- **In 2021, we will encourage the adoption of the Forest Stewardship Council (FSC) certified hot cups and soup cups throughout our customer base.** Build a plan to gain certification across our entire hot cup and soup cup lines.

- **By 2023, we will implement a new process for sending sample products to customers that allows us to send single items as needed (rather than full sleeves).**

- **In 2022, we will evaluate feasibility of achieving carbon neutrality for select product footprints.**

- **In 2021, we will help at least 25 foodservice operators implement a front-of-house Zero Waste program.** Despite challenges with supply chain factors, operators exceeded expectations that we were able to hit the goal once again this year.

- **In 2021, we will create an annual report for our National Account partners on the waste diversion activity of their customers who are purchasing our items.**

- **In 2022, we will continue to validate environmental attributes for the beginning-of-life of our top five substrates/materials by volume: virgin paperboard, virgin sugarcane, rPET, and PLA.**

**Our Products & Supply Chain**

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- **In 2023, we will support expansion of access to commercial composting of foodservice packaging in at least five communities across the United States.**

- **In 2021, we will Support Polar Pak, our Canadian sister company, to implement three front-of-house Zero Waste programs with their customers.**

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In 2021, we will not hold any interview process without including at least one candidate from an underrepresented group. We are proud to say that we achieved this goal. We know that this is only a step on our Justice, Equity, Diversity, Inclusion (JEDI) journey, but we are glad to mark this one achieved!

In 2021, we will hold quarterly meetings of our newly formed justice, equity, diversity, and inclusion (JEDI) committee. This group will provide three JEDI focused lunch-and-learns. The team met quarterly throughout the year, and we even elected co-chairs to lead the team.

In 2021, we will analyze our job description language to ensure that it is inclusive and equitable. We were able to get this done in 2021 with support from the Novolex HR team.

In 2021, we will encourage the expansion of women- or minority-owned composting operations across the US. This year, we created a new program for compost/hauler distributors (CHDs) who qualify as economically or socially disadvantaged. We were able to sign up two new CHDs in 2021 and look forward to bringing on more in 2022.

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In 2021, we will promote our donation program with organizations that provide services to underserved communities and begin to measure and evaluate how our program supports these organizations.

Our Operations

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Every year, we will maintain water consumption at 2019 levels and balance our water use through water restoration credits. Our water consumption levels were 23% lower than 2016, mainly due to fewer employees in the headquarters facility during the year.

Every year, we will reach and maintain waste diversion of 90% or greater at headquarters. Our waste diversion was at 58% for the year. We work with our waste haulers to track and understand our data where to focus in 2022.

Every year, we will maintain net-zero electricity consumption at our headquarters. We generated 98% more electricity than we consumed. Most of our employees continued to work remotely but believe our solar panels will continue to generate more electricity than we use in future years.

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In 2021, we will decrease paper use by 10% compared to 2019 levels. Since 2019, we’ve reduced the amount of paper used by 81%. We also use more paper with 100% recycled content! In 2021, nearly 30% of our paper use came from paper with 100% recycled content.

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WHAT’S NEXT?

The following pages provide more detail about where we succeeded in reaching our goals, why we maybe fell short, and where we are adjusting to course correct for the future. The goals we set for 2022 and beyond can be found at the end of each section as well as page 39.
A Global Perspective: Eco-Products continues to lead the industry in pursuit of Zero Waste practices and growing commercial composting infrastructure. This year, despite the lingering challenges of the global pandemic, we continued to expand into international markets and build new relationships across our footprint. Solving the climate crisis requires global collaboration, and we are committed to expanding Zero Waste infrastructure around the world.

The focus on Zero Waste and organics recycling technology is growing. Companies are continuing to shift their attention to reducing single-use plastic, recycling food waste, and reusing the dynamics of production and consumption toward a circular economy. The increasingly prevalent impacts of climate change have accelerated the pursuit of meaningful progress.2,3

Our perspective is a global one. Microbial populations that turn food waste and packaging into nutrient rich compost do not recognize international borders. The Zero Waste systems approach that we have encouraged can be replicated around the world. Eco-Products has an opportunity to scale Zero Waste across geographies and better communicate why circularity is important to a broader audience.

In 2021, UK-based company Vegware joined our family. Vegware produces renewable, plant-based cutlery, cutouts, and takeaway packaging. The partnership will facilitate the expansion of compostable infrastructure internationally. We look forward to continuing to collaborate with Vegware and to growing together in 2022. In 2021, UK-based company Vegware joined our family. Vegware produces renewable, plant-based cutlery, cutouts, and takeaway packaging. The partnership will facilitate the expansion of compostable infrastructure internationally. We look forward to continuing to collaborate with Vegware and to growing together in 2022.

The World Focuses on Food Waste
In March 2021, the UN Environment Programme (UNEP), released a report warning that, “Food waste just feeds climate change.” The UN is calling for a global focus on reducing food waste to tackle the climate crisis.

Starting in 2022, the UNEP will be launching regional teams with country-specific plans to reduce food waste. The UN will support the measurement of a national baseline, 2030 waste reduction goal for each country, and the strategic implementation of the plan. "Food Scraps & Compostable Packaging" (2019). Toby Alves, is an active member and has hosted events in East Tennessee to support composting in the state of Illinois. Since 2019 our Product & Zero Waste Specialist, Jamie Brown has been an active member of the Illinois Food Scrap Coalition, which was officially launched in 2021. Currently our Product & Zero Waste Specialist, Jamie Brown serves as the chair of the TNCC and has hosted events in East Tennessee to promote composting in the state and National Organizations we work with to grow infrastructure:

The Food Product Sourcing Coalition (IFSC) is a new collaboration of many of the above groups, focused on expanding compost infrastructure across the United States. We are excited to see what this nascent group can accomplish.
We are continuing to work with CMA to field test our products for degradation in early 2022. Of these, we work with can see adequate degradation from their footprint. See more about investment in composting infrastructure at:

- Correlation Study
- Comprehensive Model Bill
- NOP Petitioning and Legal Action
- Education Guidelines
- Model Bill
- Labeling and Education Guidelines
- Building Principles for Funding
- Stripe cups.

Evolution in the Waste Management Industry

Mergers across the waste and recycling industry reached an all-time high in 2021, surging to $57 billion in late September. This is a 117 percent increase from 2020. The industry reached an all-time high in 2021, surging to $57 billion in late September. This is a 117 percent increase from 2020. In addition, investment in composting infrastructure continued to increase as residential composting businesses such as Atlas Organics and WeCare Denali expand beyond PrintsPoint. See more about investment in composting infrastructure at: "Smarter Path."
PROGRESSING TOWARD OUR FIVE COMMUNITIES GOAL

The Eco-Products team made significant strides on expanding the composting market in 2021. Our expanding regional scope and localized approach helped us to be successful in three markets in 2021, examples below. In 2022, we will continue to evaluate other regions across the globe where composting infrastructure is viable. Too often, we hear that commercial composting is only available in progressive cities, typically on the coasts such as San Francisco and the Northeast. While these communities do have robust and evolving programs, we are seeing growth all across the country. Here are a few examples:

[1] Alaska
Alaska is still largely unexplored by people to grow and help us here at Eco-Products. As we have started to get to know Alaska better and learn more about composting availability in this massive state, we realize that there is some solid composting infrastructure up there. It was exciting to find out why we didn’t think these areas were any! We look forward to continuing to learn more and grow our partnerships with several composters there.

One area where we have been working to build commercial composting infrastructure is in the South, specifically the state of Alabama. We are actively engaged with larger generators in the Birmingham area and soon there will be a permitted commercial compost facility in this community. Things are changing quickly and we look forward to the great work that it is to come from Alabama!

[3] San Antonio, Texas
Each city in Texas market is a bit different. A couple of years ago there were no facilities in San Antonio that could take compostable packaging. Fast forward to today, there are two facilities that are actively expanding their customer base and accepting compostable packaging from vetted operators. In 2021 one site was purchased by WeCare Demol, an active CMA member. Additionally Atlas Organics began operating the city facility in San Antonio. Composting infrastructure is expanding in Texas and we are excited to be a part of this effort!

Proper Labeling
Labeling is a frontline defense against contamination. Policy measures, like what we are seeing in a few of the most progressive states in the US, can be used to ensure that products are labeled properly and don’t confuse consumers. In 2021, we supported BPI in the adoption of new guidelines for labeling and identification of compostable foodservice packaging, making it easy to tell which products are compostable.* Eco-Products has also obtained certification on the vast majority of our products. We pride ourselves in clearly labeling our products to make sure customers put our products in the correct bin. We approach contamination issues through proper labeling, marketing/communication, and unmatched customer support to make sure that we are doing everything we can to help consumers send a clean stream of material to our composting infrastructure.

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What is “compostable”?
To us, something is “compostable” if there is scientific evidence that the product will break down or become part of stable compost in a safe and timely manner, in a properly managed commercial composting facility.

What counts as scientific evidence?

For our U.S. minimum, we require lab-based BPI certification, which we have long used as third-party validation of compostability. This includes all of our cold, paper, and soup cups; PLA and fiber lids; PLA drinking straws; coffee sleeves; and Vegware recyclable items.

For items that are designed to meet BPI’s requirements for compostability, we are committed to earning lab-based BPI certification. This includes all of our cold, paper, and soup cups; PLA and fiber lids; PLA drinking straws; coffee sleeves; and Vegware recyclable items.

We submit all of our BPI-certified items to the Compost Manufacturing Alliance (CMA) for field testing. The CMA is a nationwide partnership of compost manufacturing facilities providing field disintegration testing for new compostable materials. The CMA is one of the world’s largest databases of verified disintegration and compostability. The CMA is designed to allow for field-based compliance testing in real-world composting environments, with results validated by field operators and field test-certified laboratories. This testing is conducted at the CMA’s lab-based BMP certification, which we have long used as third-party validation of compostability.

For items that are designed to meet BPI’s requirements for compostability, we are committed to earning lab-based BPI certification. This includes all of our cold, paper, and soup cups; PLA and fiber lids; PLA drinking straws; coffee sleeves; and Vegware recyclable items.

This year they began operating a city facility in San Antonio, expanding the composting market in Texas! As we have started to get to know Alaska better and learn more about composting availability in this massive state, we realize that there is some solid composting infrastructure up there. It was exciting to find out why we didn’t think these areas were any good! We look forward to continuing to learn more and grow our partnerships with several composters there.

* See: https://bpiworld.org/Labeling-Guidelines
State of Recycling
Due to changes in recycling markets over the past few years, establishing and maintaining successful recycling systems in the United States remains a challenging task.

Developing a truly circular economy in the United States for recyclable materials that reduces environmental impacts and drives economic gains will require a multifaceted approach. With many factors at play, we know that one way we can continue playing a role at Eco-Products is by driving demand for post-consumer plastics. That is why we support Zero Waste systems and improved recycling infrastructure. At Eco-Products, we can leverage our influence by supporting the growth in demand for post-consumer recycled material. We continue to carry our post-consumer recycled content line, better known as our BlueStripe line, and see it as an important option when composting is unavailable.

Looking beyond: Our Zero Waste infrastructure goals in 2022
Our passion and commitment to Zero Waste systems and infrastructure is apparent and is visible in our partnerships, community work, and business model. In 2022 and beyond, we will be involved in expanding access to commercial composting of foodservice packaging in at least five communities in the United States and two communities in Canada. Our top priorities will be to continue to be an example for the industry and to lead the way in expanding infrastructure internationally and gaining greater engagement in the North American market.

By 2023 we will:
» Support expansion of access to commercial composting of foodservice packaging in at least five communities across the United States.
» Support expansion of access to commercial composting of foodservice packaging in at least two Canadian communities.

If you have been reading this report for a few years, you know that we have been on a journey about how to meaningfully engage in soil health discussions. This year, we are proud to have been able to support Restore Colorado, a collaboration between Zero Foodprint and Mad Agriculture. Restore Colorado funds support local farmers and ranchers in implementing agriculture projects that increase carbon sequestration. In 2021, we were sponsors of the program, and also donated products to restaurants that participated!
ZERO WASTE FOODSERVICE OPERATORS

Our Zero Waste customers inspire and push us toward more ambitious Zero Waste goals year after year!

Each year, we create a new goal to support a set number of customers in converting to Zero Waste operations. We continue to invest in Zero Waste focused customers and their journey toward implementing a composting program. Amid the tremendous challenges of 2021, we were still able to meet our goal of 25 Zero Waste operator conversions!

We are a manufacturer of compostable products that cares about where our products are going. Foodservice management teams across the United States and even internationally are engaging with our Zero Waste team now more than ever due to their leadership and expertise in the category.

PRODUCT & ZERO WASTE SPECIALIST TEAM

Our PZW team members are our mavens in the field. They are the experts and connectors of dots on all waste diversion. They work with our foodservice operators and compost manufacturers to understand their specific challenges and implement meaningful solutions based on their unique expertise.

These relationships are the basis for our continued success. The PZW’s build partnerships to expand commercial composting infrastructure, support foodservice operators in the implementation of composting programs, and serve as an educator and liaison between our products and broader sustainability goals. If this sounds like a lot of responsibility, you’re right! And our PZW team makes it look easy.

The team is unique within the industry, growing rapidly, and gaining a reputation within the foodservice and composting industries. Amid the constraints of the pandemic, the team showed incredible resilience, managing to grow and expand engagement with customers and partners. This group is not only the basis for our company’s success, but also the success of customers in their Zero Waste goals. This team will continue to expand in 2022 and we can’t wait to see what they do.

PZW Team Feature: Jamie Brown

Jamie Brown has served in diverse roles as a Zero Waste Advocate, Educator, and Consultant throughout her 18-year career. For nearly 3 years Jamie has worked for Eco-Products as a Product and Zero Waste Specialist, where she shares her wealth of knowledge and expertise in the waste hauling, recycling, composting, and sustainability.

Jamie takes a consultative approach in her customer’s business. She develops innovative strategies to implement Zero Waste programs, which coupled with her ability to listen provides for growing trust and collaboration with her clients. Recently a compost distributor, who works with her, shared, “You are a unicorn Jamie, because you’re actually helpful and amazing. Thank you for helping us grow”, Jamie’s passion for Zero Waste and wellbeing of the people on our planet is the reason for her career choice.

CASE STUDY: Rivian

Rivian is an all-new electric-vehicle manufacturer headquartered right outside of Detroit and is primed to set the automotive world on its head with its all-electric truck (the R1T) and its all-electric SUV (the R1S).

The nearly four million square foot facility in Normal, Illinois, is the first manufacturing campus for the startup electric vehicle maker. Their inaugural truck, SUV, and delivery vans caught the world’s attention since going public in November 2021 with one of the biggest IPO’s ever.

Using our full bundle of products, including Vanguard.
Waste Diversion Database
A few years ago, we decided to make a database to track Zero Waste infrastructure and opportunities around the United States. This database combines information from our customer base with policy information and data on composting access in the form of a report. These reports help us identify potential partnerships and Zero Waste operator conversions, as well as gaps in infrastructure that could be filled in. The report also helps us track trends and create informed and actionable goals. In 2021, we used this data to create an annual report on waste diversion activities for our national account partners.

Challenges
In 2021, the pandemic led to supply chain disruption across nearly every industry. One of the greatest challenges for Eco-Products was the cascading impact of non-compostable products being substituted at Zero Waste operators, leading to contamination at the compost site. We value our partnerships with composting manufacturers and sending material that could contaminate their process was difficult. Through strong relationships and consistent communication, intervened where possible to ensure these Zero Waste programs were protected.

LOOKING BEYOND: PRODUCT AND ZERO WASTE SPECIALIST GOALS FOR 2022
Building greater engagement and coordination across the composting industry will be a top priority for our Product & Zero Waste Specialist team. With an increased focus by key compost manufacturers to expand infrastructure nationally as well as legislation that explores how to fund composting, the work of this team has only just begun and we look forward to the progress they will make in ensuring access to commercial composting in 2022 and beyond.

In 2022 we will:
» Help at least 25 foodservice operators implement a front of house Zero Waste program.
» Implement three front-of-house Zero Waste programs in Canada.

Looking beyond: Product and Zero Waste Specialist Goals for 2022
Support the expansion of front-of-house Zero Waste programs and share our partners’ successes.
OUR PRODUCTS AND SUPPLY CHAIN

Creating environmentally preferred foodservice packaging and ensuring we evaluate the impacts of our raw materials, product footprint, and supply chain is important.

As Eco-Products continues to grow, so does our offering of environmentally preferable foodservice packaging products. We expanded our product line offering in 2021 and have even more exciting products in the pipeline for 2022.

PRODUCT DEVELOPMENT IN 2021

From certifications to international market expansion, we made some strides in product creation during the past year.

Some key product development work this past year includes:

» Expanded our Vanguard product line
» Launched a line of wooden cutlery in Europe
» Became a full member of Bonsucro, a leading sustainability platform and standard for sugarcane. The purpose of the organization is to accelerate sustainable production and use of sugarcane. The organization includes over 270 members in more than 50 countries that work to address challenges and drive impact through a system of sustainability standards.

Vanguard Product Line Expansion

In 2019, Eco-Products launched Vanguard, a groundbreaking line of sugarcane plates and containers that use a proprietary formulation to achieve grease and water resistance with no added PFAS. PFAS are used to prevent oil and grease absorption and are approved for use in food packaging by the U.S. Food & Drug Administration (FDA). Despite their approved status, PFAS have come under criticism due to health and environmental concerns. As bans on PFAS continue to accelerate, we will focus on providing our Vanguard line in all markets that are impacted in advance of legislation. Eco-Products is also proud to achieve GreenScreen Silver certification for our Vanguard line in 2021. This third-party evaluation reviewed the formulation used to make Vanguard and certified the product does not have added PFAS or other known chemicals of high concern. This is a significant achievement and one that sets us apart in the market.

MANAGING OUR SUPPLY CHAIN AND OUR EXPECTATIONS OF OUR SUPPLIERS

Our suppliers are a valuable and important part of our business. We make efforts to apply our environmental and social commitments to our supply chain and form meaningful relationships in the process.

We partner with companies around the globe to source the materials and supplies needed to create our products. By extending our commitment to environmental and social responsibility to our suppliers, we are meeting customer and community expectations for good business conduct. Plus, it’s the right thing to do.

Eco-Products works hard to ensure that all our suppliers are maintaining safe and just work environments.

Many of our suppliers are international, therefore we rely on a variety of globally recognized frameworks and certifications such as the Business Social Compliance Initiative (BSCI) and ISO 4001. This helps Eco-Products confirm that our partners meet ethical standards for human and environmental health and safety.

BEGINNING-OF-LIFE CERTIFICATION

Objective and verifiable certifications differentiate us in the market and prove to our partners and foodservice operators that we are striving to be best-in-class.

We are committed to obtaining beginning of life certifications for our five most used substrates by 2023; virgin paper board, post-consumer recycled paper board, sugarcane/bagasse, recycled polyethylene terephthalate (RPET), and PLA.

Eco-Products made progress toward the beginning-of-life certification goal in 2021! Some notable highlights include:

1) Full membership with Bonsucro to explore our sugarcane supply chain more in-depth,
2) Sustainability Forest Initiative (SFI) sourcing certification for all paper hot cups and soup cups,
3) Significant progress toward an SCS Global This third-party evaluation reviewed the certification formulation used to make Vanguard and certified the product does not have added PFAS or other known chemicals of high concern. Every chemical used in the Vanguard formulation went through evulization.
LOOKING BEYOND: OUR PRODUCTS AND SUPPLY CHAIN GOALS IN 2022

We have big plans for 2022. We are excited to continue to focus on influencing our supply chain around social responsibility and environmental sustainability.

In 2022, we will continue to work with our suppliers to achieve certifications for the beginning of life for our five main materials. Our goal is to have obtained certifications in these five materials by the end of 2022 and we have already made significant strides toward this. In 2022, our top priorities will be expanding our FSC chain of custody (COC) certification and finalizing our SCS Global certification of our post-consumer recycled content BlueStripe products, as well as continuing to work closely with Bonsucro to certify our sugarcane supply chain.

We intend to achieve carbon neutrality for our product-associated footprint in the future, and the work to do this starts now.

In 2021, we continued working with our suppliers to understand the carbon impacts associated with their operations and the carbon embodied in the materials that we procure from them. Moving into 2022, we will continue this work and start to identify which supply chains are best for quick reduction of emissions.

The impacts of our supply chain are important. In 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 third-party certifications.

ISCC+ for Ingeo Polyactic Acid (PLA)

NatureWorks, one of our material suppliers, has received the International Sustainability and Carbon Certification (ISCC) for their Ingeo PLA resin. It certifies the “sustainable production of renewable raw materials including the certification of the chain of custody.”

Some of the production criteria include:

» Not sourcing from land with high biodiversity or carbon stock, or from peatland
» Maintaining sustainable agricultural practices
» Taking measures to protect the surrounding environment, avoid soil erosion, and increase soil organic matter
» Meeting social sustainability related criteria: child labor, workers protection, labor condition, land rights, training, and water rights

In 2022 we will:

» Continue to validate environmental attributes for the beginning-of-life of our top five substrates: molded paperboard: virgin paper board, recycled paper board, sugarcane bagasse, rPET, and PLA.
» Evaluate feasibility of achieving carbon neutrality for select product footprints.

By 2023 we will:

» In 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 third-party certifications.
OUR PEOPLE

Our people are our most important asset.

Our employees are passionate and brilliant people. They are motivated not only by the work they do, but the ‘why’ behind it. Our employees make it their mission to serve communities and find innovative solutions to our customers’ Zero-Waste challenges. Eco-Products strives to create a company culture built on inclusivity, diversity, entrepreneurship, and action. There is always room to learn and grow, but in 2021 we made progress on these initiatives, particularly in how we can address diversity and inclusion in our workplace and the communities in which we operate.

JEDI COMMITTEE PROGRESS

As part of the Novolex company-wide DE&I initiatives, our Justice, Equity, Diversity, and Inclusion (JEDI) team at Eco-Products continues to make significant progress toward advancing equity and inclusion in our workplace. Aside from having an undeniably cool name, the JEDI committee plays an integral role in how we address hiring, training, promoting and retaining team members, as well as how we position ourselves within our community and use our resources to support organizations and individuals in need.

In 2021, the JEDI committee spearheaded an innovative program to support compost/hauler distributors (CHDs) for economically disadvantaged groups, led two workshops on DE&I concepts, implemented concrete diversity protocols in our hiring process, and updated our donations program to better capture data around support of underserved communities.

We believe everyone should have access to composting and that economic factors should not prevent businesses from advancing their sustainability goals. The JEDI committee worked this year to lower barriers of entry for CHDs from economically disadvantaged groups. We reduced minimum order quantities and barriers to entry to qualify for credit. In 2021, we signed up two new CHDs from economically disadvantaged groups.

Recruiting and hiring continued to be a large focus area for the JEDI committee in 2021. While Eco-Products has always valued diversity in its hiring process, the JEDI committee worked to solidify and form concrete steps to back this value. Our open positions continue to be advertised to diverse groups and recruiting networks, and the list is ever growing. In addition, we ensure that there must always be at least one diverse candidate in a pool of interviewees.

In 2021, Novolex conducted a thorough internal culture assessment to determine the state of inclusion and belonging within the company. As part of this, Eco-Products participated in focus groups in the summer which resulted in a report specific to us and will also contribute to overall company findings that will be utilized to design our strategy and drive our future DE&I efforts. In the fall, we held a DE&I foundational workshop and a creating inclusive teams workshop. We look forward to continuing these courses and exploring new DE&I topics in 2022.

COMMUNITY SUPPORT

Each year, we support over one hundred organizations across the country with in-kind product donations; this year was no different. We are tremendously proud that we can help organizations in this way, as they are out there in communities doing the really hard work of supporting those in need. In 2021, we began gathering data to better understand who these groups are and the communities that they serve. Of those that answered this question last year, 72% responded that they serve underserved communities. In 2022 and beyond, we will continue to support groups in this way and push to expand outreach to groups that are working with and supporting underserved communities.

We know that we are not alone in placing a new level...
of importance on this work, and we commend others in the sustainability and Zero Waste worlds that are also doing their part to address injustice and enhance equity in their work. As a certified B Corp, we regularly look to our fellow B Corps to learn about their strategies to strengthen equity, diversity, and inclusion in the workplace.

OPPORTUNITIES FOR IMPROVEMENT

Eco-Products experienced many successes in 2021 but also noticed some areas in which we can improve. While we made significant progress in diversity, equity, and inclusion, our work is never complete. We will continue to evaluate our culture and processes to ensure our organization is one in which all feel welcome and their opinions valued. In addition, the second year of the pandemic led to fatigue and the persistent challenge of connecting in a remote world. This was made even more difficult as our team grew rapidly. We also struggled to achieve our goal of 55% of our employees volunteering.

Despite the challenges of the ongoing pandemic, we persisted. Team members are resilient and will find ways to meaningfully connect and volunteer virtually. Eco-Products remains a leader in this space and know that amid challenges, the work must go on. It will not be easy, but we have no doubt the Eco-Products team has what it takes.

LOOKING BEYOND: OUR TEAM IN 2022

At Eco-Products, we care deeply about our employees and our company culture. We don’t just work for environmental sustainability, but we also place emphasis on social and organizational sustainability. Creating a strong work culture has been a critical piece of how we’ve operated since the beginning, and it shows in our employee retention and turnover rates. In 2022, we hope to be able to connect more in person as we start to host more face-to-face conferences and engagements! We are so proud of the JEDI committee’s progress this year in advancing our diversity and inclusion goals. In 2022, we look forward to hosting more workshops and continuing to push forward our efforts. We will also continue to support charitable organizations, particularly those serving communities in need, through our donations program.

5 Year Anniversaries
Annisa Kelly
Scott Obici
10 Year Anniversaries
Elba Hale

LOOKING BEYOND: OUR PEOPLE

In 2022 we will:
» Bring on board three new compost/hauler distributors who qualify as economically or socially disadvantaged businesses.
Every year moving forward we will:
» Hold quarterly meetings for our employee-led Justice Equity Diversity and Inclusion (JEDI) committee.
» Not hold any interview process without including at least one candidate from an underrepresented group.
» Publish open positions to associations for underrepresented groups.
» Have at least 55% of our employees take advantage of their paid time off to volunteer.
» Have at least 90% of our employees include a sustainability and/or diversity and inclusion goal in their performance review.

Continue giving back to the communities that help us succeed and use our power and platform to elevate and empower women and minorities.
As a company that has woven sustainability into its mission, we at Eco-Products know the importance of using sustainable practices not just in how we develop our products but also in our daily operations.

It is important that Eco-Products take actions which will help mitigate climate change impacts. Our commitment to minimizing our impact is demonstrated in our day-to-day operations, including our energy and water use in our buildings, how we commute and travel for business, and the materials we use and dispose of in our offices.

OPERATIONAL CARBON FOOTPRINT

For more than a decade we have been measuring the carbon footprint and sustainability of our operations. In 2021, our emissions decreased by 28% from 2020. Our calculations in 2021 included more sources of data than when we completed the analysis back in 2010. Comparing the same sources used in 2010 with those in 2021, we see that our emissions have decreased by 67%. This year, a new set of global warming potentials was released by the International Panel on Climate Change. The most recent research shows that methane and nitrous oxide, two potent greenhouse gases, have a greater impact on global warming than was previously known. We used these new global warming potentials in our 2021 inventory as we believe in using the most up-to-date data and research to track our progress. Last year was an abnormal year for us here at Eco-Products and around the world as many employees worked remotely. We acknowledge this likely led to the large reductions in each of the areas below. However, we are still proud of our results and will continue to work on reducing our operational footprint in the coming years.

Energy Use in Buildings

One of our biggest goals at Eco-Products is to operate our headquarters building at net-zero electricity. To achieve this, we need our rooftop solar panels to produce at least as much electricity as we consume. In 2021, we achieved and surpassed that goal, generating 98% more electricity than we consumed. This was helped by the fact that a majority of our employees were working from home throughout 2021. Compared with 2020, we used 16% less electricity at our headquarters. We know that our employees working remotely helped contribute to this increase in our solar power contribution, but we are confident that we will be able to successfully maintain our net-zero status at the headquarters going forward.

We use natural gas to heat our building and power our water heater. We used 5% more natural gas in 2021 than in 2020. We believe the cold start to 2021, especially the deep freeze in February, contributed to the increase in natural gas use. This meant our emissions from natural gas use increased by 5% as well.

Water Conservation

We are a Colorado-based company and understand water is a critical resource. We are committed to regulating and conserving the water used at our headquarters building to help reduce our environmental impact.

We continue to strive toward the goal of keeping water consumption at the same level as it was in 2016, no matter the growth of our company. The majority of our employees worked remotely for 2021 so we know that most of the water consuming activities like brewing coffee and flushing toilets were not happening. However, it was also a very dry year in Colorado so our sprinklers were put to use more frequently than they were in 2020. In 2021, our water consumption levels were 23% lower than they were in 2016—still exceeding our goal. We know that eventually

Our solar panel array generated 198% of the energy we needed to run HQ this year!
our teams will partially return to the office and will continue our efforts to conserve water through investing in low-water-use appliances and focusing on drought-hardy landscaping.

Materials and Waste
At Eco-Products, our mission is to help create and expand Zero Waste solutions. We make sure team members that work at our headquarters facility embody this mission, and do our best to walk the talk! That means equipping our team members with ample resources to divert waste while in the office and when they go home. At the headquarters in 2021, we diverted 58% of the waste that we created. Our goal is to divert at least 90% of the waste we create every year. We are disappointed that we did not meet that goal in 2021 and will work with our waste hauler to ensure better tracking and reporting. We will also focus on education and training of team members to ensure proper sorting of items in our waste bins.

Business Travel
Similar to many companies across the globe, we experienced a halt in business travel during much of 2021. As such, our emissions from business travel decreased 79% from 2020. Relative to our company’s total revenue, emissions from business travel dropped 83% between 2020 and 2021. While we are excited about these results, we know this trend will not last forever. Business travel has always been the largest source of our emissions. We believe we have learned how to operate virtually over the past two years, so we hope we can have a more balanced approach moving forward. While we miss seeing our customers, stakeholders, and partners face-to-face, we are grateful that we were able to connect virtually and are hopeful that more in-person meetings will be possible in 2022 (though we’ll miss getting a peek at everyone’s home offices!).

In 2022 we will:
» Decrease our normalized carbon dioxide (CO2e) emissions from air travel and business car travel by 5% relative to 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.
Reduced Paper Use
Since 2019, we’ve reduced the amount of paper we use by 81%. In 2021, nearly 30% of our paper use came from paper with 100% recycled content.

Supported Underserved Communities
The JEDI committee spearheaded an innovative program to support compost/hauler distributors for economically disadvantaged groups. The committee hosted workshops on DE&I concepts, implemented concrete diversity protocols in our hiring process, and updated our donations program to better capture data around support of underserved communities.

GreenScreen Silver Certification
We are the first foodservice packaging firm to achieve this designation. This third-party evaluation reviews the formulation used to make Vanguard products and attests they do not have added PFAS or other known chemicals of high concern. This is a significant achievement and one that sets us apart in the market.

Converted 25 Operators to Zero Waste
Amid the tremendous challenges of 2021, we were still able to meet our goal of 25 Zero Waste operator conversions! In other words, we helped 25 customers figure out how to implement the right products and systems to divert as much waste as possible.

Achieved Net-Zero Electricity
Our rooftop solar panels generated 39% more electricity than we consumed.

JEDI Committee Work
Included underrepresented groups in all open-position interviews.
Analyzed our job description language to ensure it is inclusive and equitable.
Promoted our donation program with organizations that provide services to underserved communities and began to measure and evaluate how our donation program supports these organizations.

Note that our product emissions data includes lifecycle emissions from products received in our warehouses in a given calendar year. Approximately 99% of all cases received in our warehouses in 2021 were included in this calculation. Information for our carbon impact is a combination of primary data provided by suppliers and secondary industry assumptions.
In 2022 we will continue to provide best-in-class products and support to our customers and stakeholders while doing our part to be the most socially- and environmentally-responsible company that we can be.

We are constantly evolving and innovating, and we strive to improve our processes and have a greater impact each year. Our 2022 goals are an illustration of that commitment.

**ZERO WASTE FOODSERVICE OPERATORS**

**By 2023 we will:**
- Help at least 25 foodservice operators implement a front of house Zero Waste program.
- Support the expansion of front-of-house Zero Waste programs and share our partners' successes.

**ZERO WASTE INFRASTRUCTURE**

**By 2023 we will:**
- Support expansion of access to commercial composting across our markets.
- Support expansion of access to commercial composting in at least five communities across the United States.
- Support expansion of access to commercial composting in at least two Canadian communities.

**OUR PRODUCTS & SUPPLY CHAIN**

**In 2022 we will:**
- Continue to validate environmental attributes for the beginning-of-life of our top five substrates/materials by volume: virgin paper board, recycled paper board, sugarcane/bagasse, rPET, and PLA.
- Evaluate feasibility of achieving carbon neutrality for select product footprints.

**In 2023 we will:**
- In 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 third-party certifications.

**OUR PEOPLE**

**Every year moving forward we will:**
- Bring on board three new composter/hauler distributors who qualify as economically or socially disadvantaged businesses.
- Hold quarterly meetings for our employee led, Justice Equity Diversity and Inclusion (JEDI) committee.
- Not hold any interview process without including at least one candidate from an underrepresented group.
- Publish open positions to associations for underrepresented groups.
- Have at least 55% of our employees take advantage of their paid time off to volunteer.
- Have at least 90% of our employees include a sustainability and/or diversity and inclusion goal in their performance review.

**OUR OPERATIONS**

**Every year moving forward we will:**
- Decrease our normalized carbon dioxide (CO2e) emissions from air travel and business car travel by 5% relative to 2019 travel.
- 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.