

**2022**

**SUSTAINABILITY  
REPORT**



## 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.

## 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.

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

We'd love to hear your feedback!  
Email us with your comments or questions at [sustainabilitymaven@ecoproducts.com](mailto:sustainabilitymaven@ecoproducts.com)

## TABLE OF CONTENTS

THE ECO-PRODUCTS DIFFERENCE .....	6
2021 PROGRESS REPORT .....	8
ZERO WASTE INFRASTRUCTURE .....	12
ZERO WASTE FOODSERVICE OPERATORS .....	20
OUR PRODUCTS AND SUPPLY CHAIN .....	24
OUR PEOPLE .....	28
OUR OPERATIONS .....	32
2021 SUSTAINABILITY HIGHLIGHTS .....	36
LOOKING BEYOND: 2022 GOALS .....	38

## LETTER FROM THE PRESIDENT



IAN JACOBSON

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

**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 landfill, thereby preventing organics 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 minds, 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 encouraged to see the expanding commitments from brands and legislators that are making commitments to move packaging to reusable, recyclable or compostable standards.

As the pages of this report will attest, 2021 was the year when Eco-Products took meaningful steps forward as a global leader in our category. We are increasingly demonstrating waste diversion success stories around the world, whether through our expanding partnership with the Detmold Group in Australia and New Zealand or through the acquisition of the Vegware™ brand in Europe by Novolex.

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.

**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 to include:**

**[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 say 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 involvement 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 continue to push forward on our supply chain certifications such as Bonsucro 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 in the vanguard of our Zero Waste future.



## 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.

### United Nations Sustainable Development Goals

What Eco-Products is Doing	
 <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p>	<p>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 materials in our BlueStripe products.</p>
 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>	<p>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 material, keeping valuable material out of the landfill and giving it a second life.</p>
 <p><b>13 CLIMATE ACTION</b></p>	<p>We connect our stakeholders and customers with meaningful opportunities to mitigate climate change through Zero Waste systems.</p>



67  
EMPLOYEES

2021 REVENUE  
\$380+  
MILLION

450+  
PRODUCTS



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

HEADQUARTERS:  
Boulder, Colorado

PARENT COMPANY:  
NOVOLEX

### 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 A1 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 DECKER**

Director of Cleantech Client Management, Schneider Electric

**JENNIFER LEITSCH**

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



## 2021 PROGRESS REPORT

In 2021 we achieved many of the goals that we set for ourselves, and we continue to work towards those that are 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 develop a position on what Product Stewardship/Extended Producer Responsibility for compostable packaging could look like.**

Extended Producer Responsibility continues to be a key topic for the packaging industry. We worked this year to better understand what this would mean for us and how this a policy approach might transform the commercial composting industry and its relationship to compostable packaging. Definitions and specific policy proposals within an EPR framework are exceedingly complex and we continue to explore frameworks that will support expanded access to commercial composting and expanded recycling.

✓  
**In 2021, we will increase familiarity with international commercial composting infrastructure in markets that are increasingly using compostable packaging.**

We saw tremendous movement in a few key markets, specifically in Europe through our partnership with Vegware. Their waste focused team is intimately 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 leading the way.

● ● ●  
**By 2023, we will support expansion of access to commercial composting of foodservice packaging in at least two Canadian communities.**

We had a good year of engagement with our Canadian team and were able to refine our understanding of what infrastructure exists and the sentiment around packaging in Canada.

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

We have been engaged in communities across the country and feel confident that this goal is on track.

### Zero Waste Foodservice Operators

✓  
**In 2021, we will help at least 25 foodservice operators implement a front-of-house Zero Waste program.**

Despite challenges with supply chain constraints in 2021, we are proud that we were able to hit this goal once again this year.

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

While we had some great engagement in Canada this year, we were unable to get three successes across the finish line. We will continue to work closely with our sister company, Polar Pak, to identify and work with customers to drive Zero Waste success stories.

✓  
**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.**

We developed this report once again for our National Account partners.

### Our Products & Supply Chain

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

This effort took a back seat in 2021, but we intend to bring this to the front burner this year.

● ● ●  
**By 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.**

We continue to work toward this goal, with some good progress for our recycled content products lines through SCS Global recycled content certification and for our sugarcane/bagasse supply chain with Bonsucro.

✗  
**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.**

We continued to work with our customers that wanted FSC chain of custody certified products. Due to supply chain challenges, we were unable to meaningfully progress this goal. We began to build a plan to gain chain of custody across our entire hot cup and soup cup lines.

✓  
**In 2021, 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).**

We were successful in implementing this new sample process this year.

## Our People

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

We adjusted our donation form questions to better understand what types of organizations we are supporting and the communities that they serve. In 2021, 72% of the organizations that we donated to were an underrepresented group. We did not actively promote the program but hope to do so in the coming year.

**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.

**Every year, we will have at least 90% of our employees include a sustainability and/or diversity and inclusion goal in their performance review.**

We hit this goal once again this year.

**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.

**Every year, we will have at least 55% of our employees take advantage of their paid time off to volunteer**

Unfortunately, we only had 45% of our employees use their volunteer PTO in 2021 due to understandable concerns regarding social distancing in our typical volunteering environments.

**Every year, we will publish open positions to associations for underrepresented groups.**

We continue to grow our list of places to post positions and have this well entrenched in our recruiting process at this time.

**Every year, we will have cross-functional and/or sustainability-focused employee activities and opportunities (such as lunch-and-learns or projects).**

This slowed in 2021, largely due to less connectivity in a remote environment as well as increased focus and effort toward JEDI committee efforts. Nevertheless, we were able to engage our team in important ways in the last year.

**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 encourage the expansion of women- or minority-owned composting operations across the US.**

This year, we created a new program for composter/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.

## Our Operations

**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.

**In 2021, we will decrease our normalized carbon dioxide (CO2e) emissions from air travel and business car travel per \$1,000 in sales by 5% relative to 2019 travel.**

We reduced our CO2e emissions from business travel relative to sales by nearly 85% between 2020 and 2021. This was due to a complete halt in business travel for the majority of the year.

**In 2021, we will decrease paper use by 10% compared to 2019 levels.**

Since 2019, we've reduced the amount of paper we use 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.

**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.

## 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.

## ZERO WASTE INFRASTRUCTURE

**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 infrastructure is growing. Companies are continuing to shift their attention to reducing single-use plastic, recycling food waste, and restructuring the dynamics of production and consumption toward a circular economy. The increasingly prevalent impacts from climate change has accelerated the pursuit of meaningful progress.<sup>1 2 3</sup>

Our perspective is a global one. Microbial populations that turn food waste and packaging into nutrient rich compost doesn't 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 cups, cutlery, 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.

<sup>1</sup> US Composting Council. "U.S. Composting Infrastructure Coalition applauds introduction of COMPOST Act" (2021).




<sup>2</sup> Kirsten Jaglo, Shannon Kenny, and Jenny Stephenson. "From farm to kitchen: The environmental impacts of U.S. food waste" (EPA, 2021)

<sup>3</sup> United Nations. "Wasting food just feeds climate change, new UN environment report warns" (2021).

## HELPING THE COMMERCIAL COMPOSTING INDUSTRY TO GROW

While the commercial composting industry faced challenges in 2021, it grew at a remarkable pace. As an important stakeholder to Eco-Products, we seek to address composter challenges head-on, by working with key industry groups like the US Composting Council (USCC), the Biodegradable Products Institute (BPI), the Compost Manufacturing Alliance (CMA), and others, to better understand these challenges and find creative and collaborative solutions. The work that our PZW team and our Sustainability Maven do every day is seeking to grow the industry communities across the globe.

**Waste is hyper local, so we work locally too:** These are just some examples of groups that we work with locally; this list is by no means exhaustive.

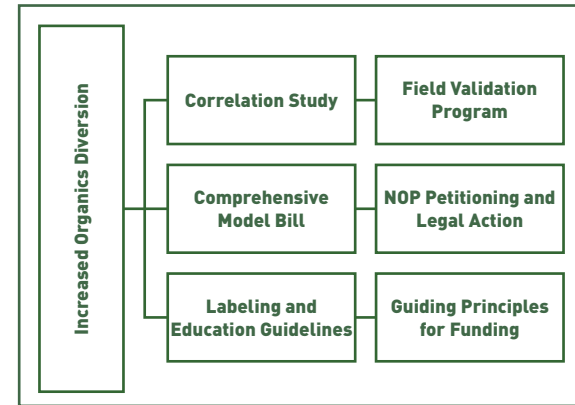
	The <b>Illinois Food Scrap Coalition</b> , sponsoring organization for the IL Composting Council state chapter, is the primary force for advancing diversion and composting in the state of Illinois. Since 2019 our Product & Zero Waste Specialist, Jamie Brown has been an active member.
	Eco-Products is a supporter of the <b>Tennessee Composting Council</b> (TNCC) which was officially launched in 2021. Currently, our Product & Zero Waste Specialist for the South and Southeast regions, Wayne Koeckeritz, serves as the vice-president of the TNCC and has hosted events in East Tennessee to promote the organization and recruit new members.
	In 2021 Eco-Products became a Sustaining Member of the <b>Northeast Recycling Council</b> (NERC). Our Product & Zero Waste Specialist in the region, Toby Alves, is an active member and has developed a panel titled "Front of House Food Scraps & Compostable Packaging" in which several industry experts and was presented.

## National Organizations we work with to grow infrastructure:

	As the voice of the composting industry, the <b>US Composting Council</b> (USCC) is a vital organization that supports composters and sets the table for growth focused conversations. We are longtime members and proud supporters.
	As the lead certifying body for compostable packaging in North America, the <b>Biodegradable Products Institute</b> (BPI) is a well-recognized certification mark to assure the market of compostable claims.
	The <b>Compost Manufacturing Alliance</b> (CMA) conducts field testing of products in various commercial composting technologies. We are collaborating with CMA to address new research questions about how compostables behave in actual composting conditions.
	We are active participants in <b>Foodservice Packaging Institute's</b> (FPI) recovery work, specifically around compost infrastructure expansion. In 2021, we were excited to participate in an effort that FPI lead in Chicago around contamination and food waste capture. The funding and partners for this project were gathered in 2021, and the project will kick off in early 2022.
	The <b>Sustainable Packaging Coalition</b> (SPC) has been a longtime player in the compostable packaging arena, and has recently started working very diligently on compost infrastructure efforts. We are excited to continue our involvement and look forward to what SPC can accomplish in 2022.
	We joined the <b>Plant Based Product Council</b> (PBPC) in 2021 and have since been learning about the work they do. This team is active at the federal level and were critical in the introduction of the COMPOST Act.
	Th <b>US Composting Infrastructure Coalition</b> 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.

### BPI Update

As an active member of BPI and focused on expansion of access to commercial composting, we are excited by BPI's efforts (shown in the graphic below) as they work through some of our industry's biggest challenges.



### CMA Update

We are continuing to work with CMA to expand testing and testing sites. This year, testing was completed at CMA-I (formerly known as Cedar Grove approved), CMA-W (Windrow), and CMA-MSAP (Modified Static Aerobic Pile). We also conducted testing at additional sites, namely the City of Phoenix facility, which is operated by WeCare Denali. Eco-Products is continuing to work with CMA on additional testing sites and a specific study for molded fiber degradation, both of which will begin in early 2022.

We also recognize that 'certified compostable' in a lab does not always translate to what compost manufacturers are seeing breakdown in their piles. Recognizing the need to ensure that the compost manufacturers we work with can see adequate degradation from our products, in the past handful of years, we worked with CMA to field test our products for degradation

in actual compost piles and in various types of composting facilities. We are proud to have the broadest acceptance in the industry at CMA partner facilities of our product lines.

### Collaboration is Key

The last few years of growth for both BPI and CMA is a great example of the maturation and intertwining of the compost manufacturing and compostable packaging industries. How we, as two connected but separate industries, collaborate to advance infrastructure and develop Zero Waste systems will be critical to our future success. We are intimately involved in both groups and advocate for cooperation and mutual creativity between both organizations whenever we can.

We continue to provide support for and know that for Zero Waste systems to be successful, we need to ensure that they work for all the players involved, from the compost manufacturer to the foodservice operator, to the consumer drinking out of our Green-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. In addition, investment in composting infrastructure continued to increase as residential composting businesses such as Atlas Organics and WeCare Denali expand their footprint. See more about investment in composting infrastructure at:

[Biocycle.net](https://biocycle.net)

### The Impacts of Policy

Policies and regulations in the waste infrastructure and packaging industries are daunting to say the least. Our Sustainability Maven and PZW teams keep track of state and local policies so they can help guide our customers through the complex and often winding road that is local and state policy.

We want to ensure that the voices of compost manufacturers, foodservice packing manufacturers (like us!), and Zero Waste advocates everywhere are not just informed about policy, but that they are deeply involved in these conversations and decisions. For this reason, we engage in the policy committees of the USCC and BPI as well as local and state composting chapters.

## THE CHALLENGES OF COMMERCIAL COMPOSTING

Eco-Products is working across our entire team to address the challenges to Zero Waste and to make commercial composting more viable, successful, and the first choice for food waste and foodservice packaging.

The primary challenges we are tackling in our work include:

### CONTAMINATION:

This continues to be one of the greatest challenges to the widespread success and availability of commercial composting. Specifically, concern around contamination from front-of-house compost collection operations remains a major concern for compost manufacturers and can result in them not accepting front-of-house compostable material including compostable packaging.

### END MARKETS FOR FINISHED COMPOST:

Although awareness about the potential for compost to improve soils, create healthier food systems, conserve water, and sequester carbon from the atmosphere is growing, there continues to be limited growth in end markets for finished compost. Compost manufacturers work hard to collect materials, manage efficient compost operations, and deliver a high-quality product, but the end markets for these products need to grow for the industry to scale.

### AVAILABILITY OF FEEDSTOCK AND ROUTE DENSITY:

For a compost manufacturing operation to be economically viable, the manufacturer must have access to the materials that will break down into compost; these materials must be co-located geographically in such a way that the compost manufacturer or haulers that deliver to these operations can develop dense truck routes to pick up the compostable material. Route density can be especially difficult to attain in regions where the composting market relies on voluntary participation and where no local policies or regulations compel customers to choose diversion over landfilling their organic materials stream.

### DEGRADATION OF COMPOSTABLE PACKAGING:

While the conversation has shifted over recent years from "compostable packing doesn't degrade" to "compostable packaging doesn't degrade within certain operational parameters," there are still some concerns about how quickly compostable packaging breaks down in the pile and the impact this has on compost manufacturers' operations. Better communication about how these products degrade in different composting technologies and addressing contamination issues from 'green' look-alike products can help to reduce concerns around degradation issues.

### LOCAL AND STATE POLICY:

Unfortunately, landfilling our waste continues to be the most economical option for most communities and businesses across the country. Policies that support the separation and collection of organic materials (and for that matter, materials that can be recycled) are critical to overcoming the economic disincentives associated with waste diversion in many regions. Additionally, policies that place an excessive burden on the development of compost manufacturing operations can slow the growth of these businesses. Careful consideration of how to balance human and environmental health concerns while also allowing these businesses to develop is essential to developing smart policies that do not hinder the growth of the commercial composting market.



**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.<sup>4</sup>

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 bins.

We know that sometimes product labeling can be overlooked, so our sales team promotes effective signage and communication. Our compostable stickers also help consumers know to put our products in the compost 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 partners.






<sup>4</sup> See: <https://bpiworld.org/Labeling-Guidelines>

**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?**

	<p>For us, the minimum is ASTM standards for compostability: ASTM D6400 for bioplastic and ASTM D6868 for fiber-based items (with or without bioplastic).</p> <p>The only exception to our ASTM requirement are items that are considered “generally accepted as compostable.” This would be our wooden stir sticks and napkins – natural fiber items that most composters accept without question.</p>
	<p>For items that are designed to meet BPI’s requirements for compostability, we are committed to earning BPI certification. This includes all of our cold, paper, and soup cups; PLA and fiber lids; PLA cutlery; liners; coffee sleeves; and Vanguard molded fiber.</p> <p>Our standard, non-Vanguard molded-fiber products use FDA-approved compounds to achieve grease resistance that do not meet BPI requirements. Therefore, these molded fiber items are not BPI-certified compostable. However, they do meet ASTM standards, so we still consider them to be compostable.</p>
	<p>We submit all of our BPI-certified items to the Compost Manufacturing Alliance (CMA) for field testing.</p> <p>The CMA is a nationwide partnership of compost manufacturing facilities providing field disintegration testing for foodservice products across the country. CMA’s mission is to make compost manufacturing more sustainable by working proactively to field-test compostable products in real-world compost processing technologies. We were one of the first supporters of CMA as we see value in having composters test and confirm that our products break down successfully at their facilities. This is a valuable complement to the lab-based BPI certification, which we have long used as third-party validation of compostability.</p>

**PROGRESSING TOWARD OUR FIVE COMMUNITIES GOAL**

The Eco-Products team made significant strides on expanding access to commercial composting. Our expanding regional scope and localized approach helped us 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 those 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 in general and by 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 sites where we didn't think there were any! We look forward to continuing to learn more and grow our partnerships with several composters there.
- [2] Birmingham, Alabama**  
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 large 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 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 Denali, 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!

	<p><b>Atlas Organics</b> manages and processes food waste at various facilities around the country. This year they began operating a city facility in San Antonio, expanding the composting market in Texas!</p>
	<p><b>Closed Loop Partners</b> is an investment firm committed to financing a circular economy. Closed Loop Partners recently started managing The “Composting Consortium”, which is an effort across the entire compostable value chain. The multi-year collaboration aims to advance innovation, technology, and infrastructure solutions in the compostable food packing industry.</p>

## RECYCLING IN 2021

### 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.

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!



**MAD AGRICULTURE**

## 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 markets.

## LOOKING BEYOND

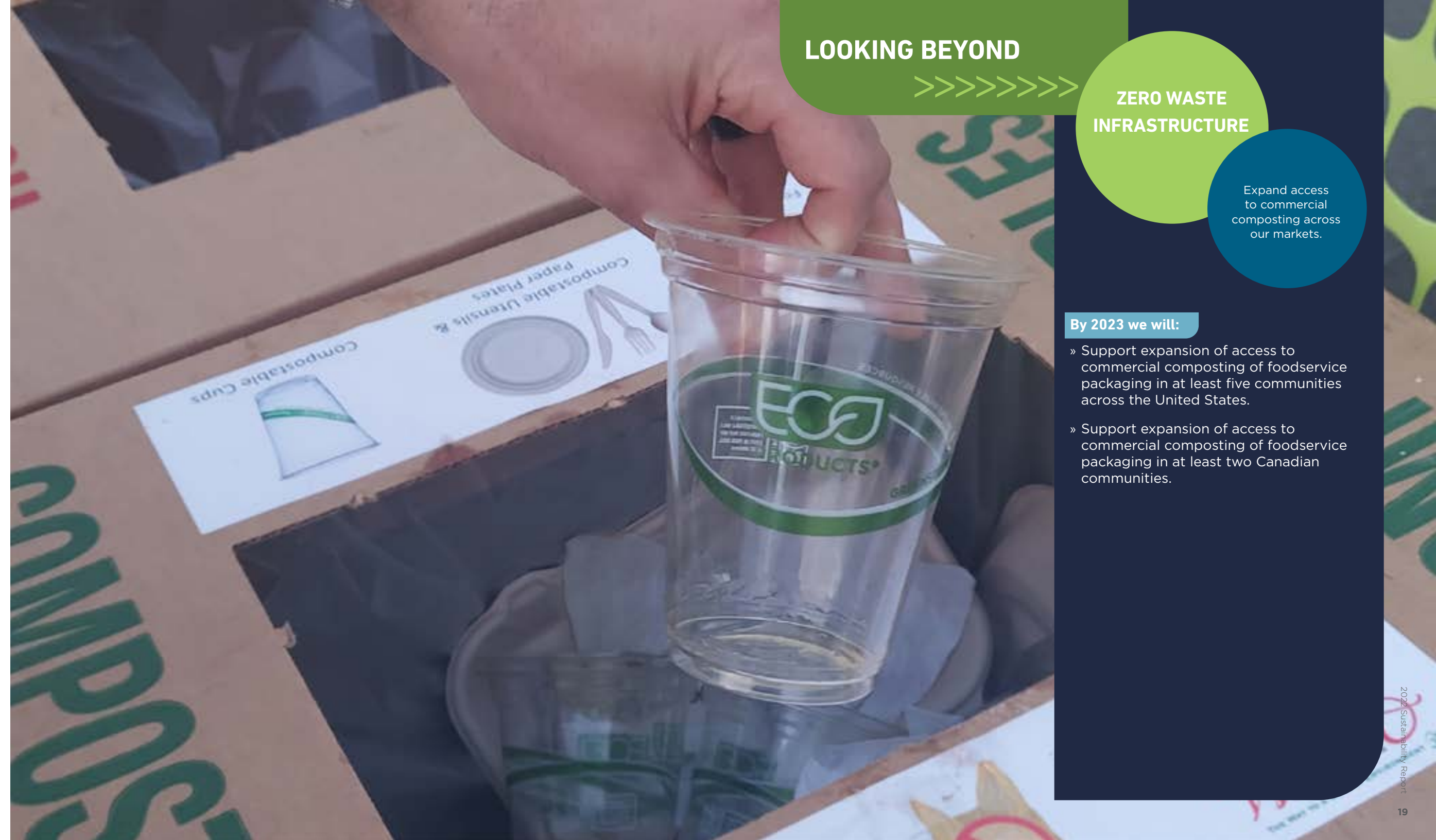


## ZERO WASTE INFRASTRUCTURE

Expand access to commercial composting across our markets.

### 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.



## 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 things 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 PZWs build partnerships to expand commercial composting infrastructure, support foodservice operators in the implementation of composting

programs, and serve as an educators and liaisons between our products and broader sustainability goals. If this sounds like a lot of responsibility, you'd be 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 invests 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 composter/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.

The Eco-Products sales team and Better Earth Logistics worked with Rivian's facility and foodservice teams to set up organics collection & infrastructure to recycle the material generated from serving three meals a day. As of March 2022, Rivian employs 5,000 team members at its Normal manufacturing campus with plans to double the local headcount.

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 help 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. We continue to refine this data to make it the most comprehensive view of waste diversion activities and opportunities.

### 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.



## LOOKING BEYOND



### ZERO WASTE FOODSERVICE OPERATORS

Support the expansion of front-of-house Zero Waste programs and share our partners' successes.

#### 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.

## 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 ISO14001. This helps Eco-Products confirm that our partners meet ethical

standards for human and environmental health and safety. We use Novolex's supplier survey to ensure adherence to a [Supplier Code of Conduct](#). Additionally, we have quarterly check-ins with each supplier to evaluate their work on sustainability initiatives as well as factory performance and certifications. Over the last 31 years, we have fostered strong relationships with our suppliers and expect these to continue grow.

### Novolex Supplier Code of Conduct

The Code lays out specific standards to protect the human rights, health, and safety of employees within supplier companies. The Code also asks suppliers to minimize their environmental impact through energy and water reduction and emissions saving efforts.

### 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)** the 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 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 evaluation.

recycled content certification for our BlueStripe products, and 4) receipt of the International Sustainability and Carbon Certification (ISCC) for Ingeo PLA resin.

As awareness of the climate crisis grows, more communities, institutions, and local governments are recognizing the importance of making more environmentally preferable decisions. We are excited to be able to provide our customers with certified products that can help them meet their sustainability goals.

### ISCC+ for Ingeo Polylactic 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

### 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 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.



## LOOKING BEYOND



### OUR PRODUCTS & SUPPLY CHAIN

Dive deeper on a plan for carbon neutrality for select product footprints and achieve beginning of life certifications for our most popular product lines.

#### 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.

#### 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, entrepreneurialism, 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 composter/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.

#### 5 Year Anniversaries

Annisa Kelly

Scott Obici

#### 10 Year Anniversaries

Elba Hale

### 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 engagement!

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.

## LOOKING BEYOND



### OUR PEOPLE

Continue giving back to the communities that help us succeed and use our power and platform to elevate and empower women and minorities.

#### In 2022 we will:

- » Bring on board three new composter/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.





## OUR OPERATIONS

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.<sup>5</sup> 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 of our progress. Last year was abnormal year for us here at Eco-Products and around the world as many employees worked remotely. We acknowledge this likely lead 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 employ-

ees 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



<sup>5</sup> See: <https://www.ipcc.ch/assessment-report/ar6/>

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 78% from 2020. Relative to our company's total revenue, emissions from business travel dropped 85% between 2020 and 2021. While we are excited about these results, we know this trend won't 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 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!)

**Electricity Consumption**

26%

**Water Consumption**

16%

**Waste Diverted from Landfill**

58%

**Carbon Emissions from Business Travel**

78%

**LOOKING BEYOND**

**OUR OPERATIONS**

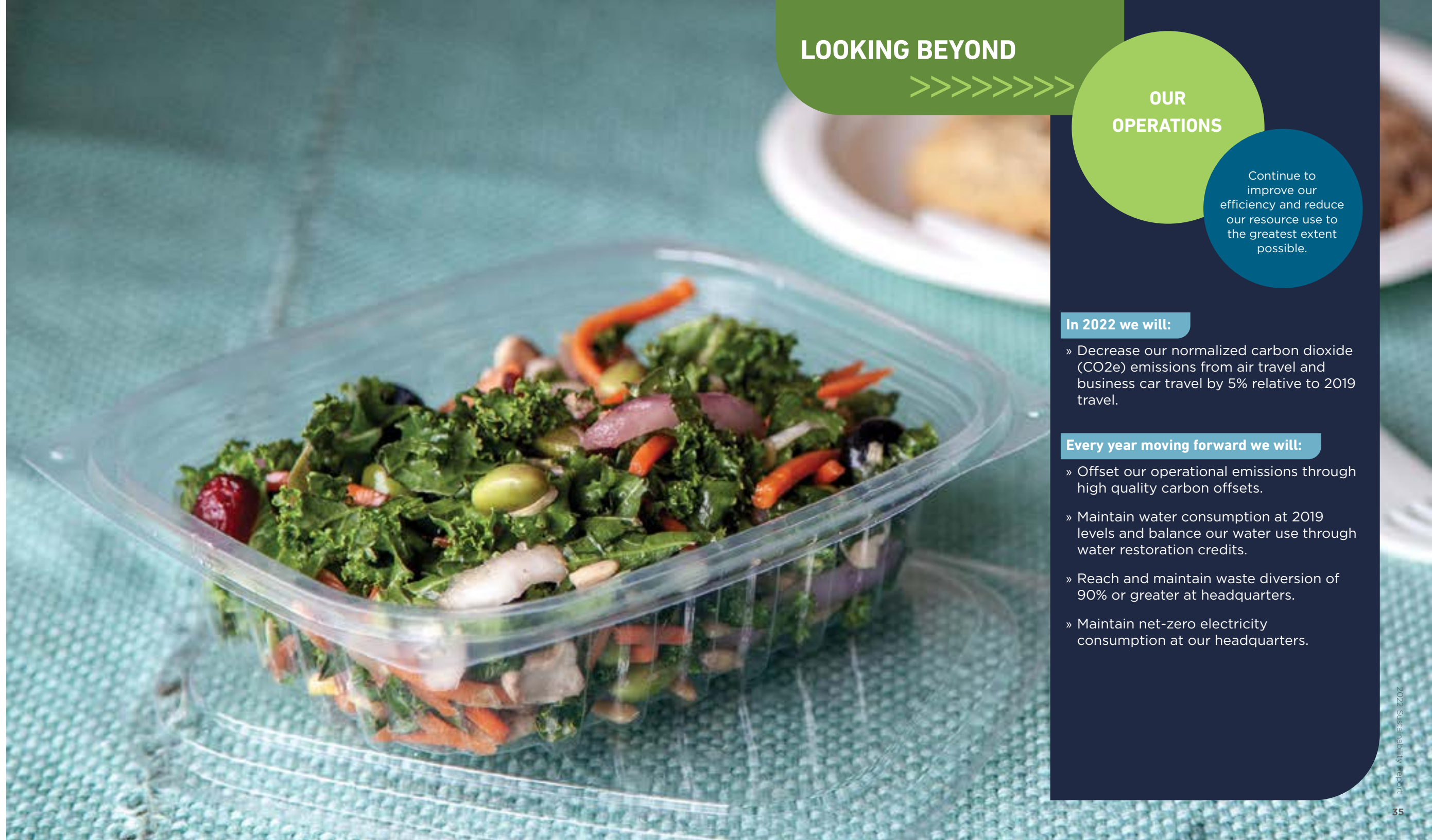
Continue to improve our efficiency and reduce our resource use to the greatest extent possible.

**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.



## 2021 SUSTAINABILITY HIGHLIGHTS

### JEDI Committee Work

Included underrepresented groups in all open-position interviews

Analyzed our job description language to ensure that it is inclusive and equitable.

Promoted our donation program with organizations that provide services to underserved communities and begin to measure and evaluate how our donation program supports these organizations.

### Supported Underserved Communities

The JEDI committee spearheaded an innovative program to support composter/hauler distributors 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.

### 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.

### 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

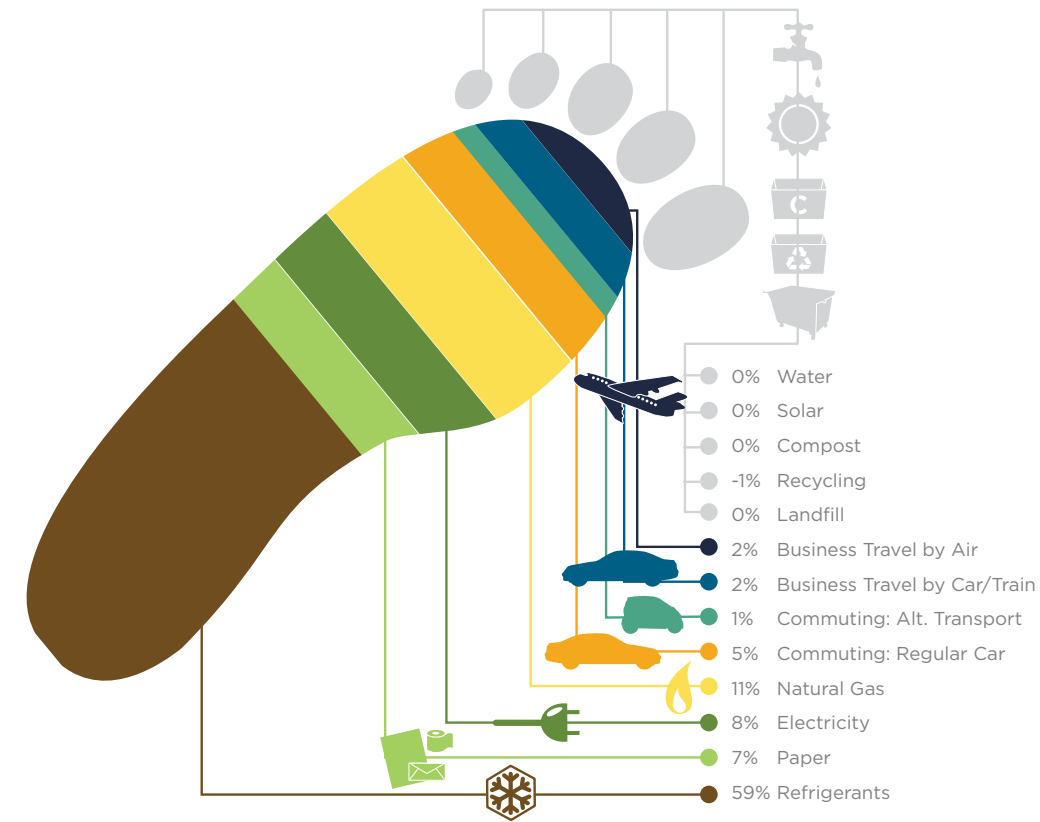
Amid the tremendous challenges of 2021, we were still able to meet our goal of 25 Zero Waste operator conversions! In other words, we helped 25 customers figure out how to implement the right products and systems to divert as much waste as possible.

### Achieved Net-Zero Electricity

Our rooftop solar panels generated 98% more electricity than we consumed!

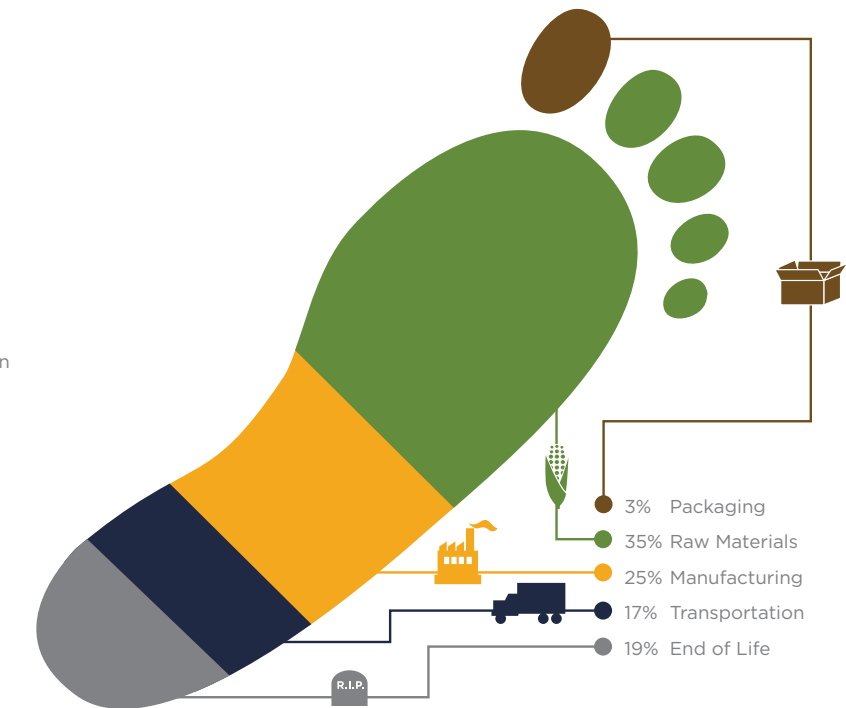
### OUR OPERATIONS

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



### OUR PRODUCTS

The carbon impacts associated with the manufacturing, transport and disposal of our products.



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.

## LOOKING BEYOND: 2022 GOALS

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 INFRASTRUCTURE

Expand access to commercial composting across our markets.

#### 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.

### ZERO WASTE FOODSERVICE OPERATORS

Support the expansion of front-of-house Zero Waste programs and share our partners' successes.

#### 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.

### OUR PRODUCTS & SUPPLY CHAIN

Dive deeper on a plan for carbon neutrality for select product footprints and achieve beginning of life certifications for our most popular product lines.

#### 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.

#### 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

Continue giving back to the communities that help us succeed and use our power and platform to elevate and empower women and minorities.

#### In 2022 we will:

- » Bring on board three new composter/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.

### OUR OPERATIONS

Continue to improve our efficiency and reduce our resource use to the greatest extent possible.

#### In 2022 we will:

- » Decrease our normalized carbon dioxide (CO<sub>2</sub>e) 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.



**PRODUCTS**<sup>®</sup>

A NOVOLEX BRAND

Certified



This company meets the  
highest standards of social  
and environmental impact

Corporation

Email your comments or questions to  
[sustainabilitymaven@ecoproducts.com](mailto:sustainabilitymaven@ecoproducts.com)

© 2022 Eco-Products PBC

This report may contain the following trademarks – all rights reserved by Eco-Products or their respective owners:

Vanguard | GreenStripe | BlueStripe | Cutlerease

B Corp | Biodegradable Products Institute | BPI | Eureka Caterware | Forest Stewardship Council | FSC | Novolex | Polar Pak | SciveraLENS