



2021  
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 eighth 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
LOOKING BACK: 2020 PROGRESS REPORT .....	8
ZERO WASTE INFRASTRUCTURE .....	14
ZERO WASTE OPERATORS .....	22
OUR PRODUCTS & SUPPLY CHAIN.....	26
OUR PEOPLE.....	34
SUSTAINABILITY IN OUR OPERATIONS .....	38
2020 SUSTAINABILITY HIGHLIGHTS & SUMMARY ..	43
LOOKING BEYOND: 2021 GOALS .....	46

## LETTER FROM THE PRESIDENT



IAN JACOBSON

As business leaders, we're routinely asked to plan for how our businesses might perform and adapt in times of economic stress. Until 2020 we had never considered how Eco-Products would perform in a global pandemic. Despite the challenges of the past year, I am immensely proud of what we have accomplished and the perseverance we showed in 2020.

A common thread woven throughout our work in 2020 has been our interconnectedness and the strength of our relationships; when we collaborate to achieve shared goals, we succeed together. During the depths of the shutdown last spring, we sought out leaders in our category to help us better understand how the pandemic was impacting waste diversion. Time and again we heard that the shutdowns would only briefly pause progress on Zero Waste. We maintained faith, and today we are confirming, that as the economy starts to open up again our collective resolve to eliminate packaging waste will be stronger than it was before.



## I'M PROUD TO SUMMARIZE THE HIGHLIGHTS FROM OUR WORK AT ECO-PRODUCTS IN 2020:

### Innovation

We continued to expand and improve our Cutlerease™ offering. This innovation couldn't have come at a better time, as the pandemic pushed many to seek out new ways to maintain hygiene in their operations without the use of additional packaging.

We continued to expand our leading position with Vanguard®, our proprietary no-fluorine added, grease-resistant solution for molded fiber. In addition to launching new SKUs, we made significant progress with third party assessments to ensure that we are using optimal alternatives that would not be regarded as a regrettable substitute.

Our Operator Specialist team, now called our Product and Zero Waste Specialist team, continued to prove why this group of waste management experts is critical to our leadership in our category. We exceeded our goal for new waste diverting operators during the year and demonstrated that we not only provide exceptional products, but also possess the additional regional expertise to make our customers' waste diversion goals a reality.

### Equity, Diversity, and Inclusion

One of the most remarkable developments of 2020 has been the renewed focus on racial justice, which managed to rise above the din as demonstrations across the world highlighted the need to continue fighting systemic racism and inequality. This energy also elevated our awareness of our own shortcomings – we haven't focused enough on these important issues of Justice, Equity, Diversity, and Inclusion. In response, we established an internal employee-led committee to help us increase our individual awareness and execute against EDI-focused goals to meaningfully move us along the road of progress. You'll see new company goals addressing these issues in this year's report.

### Infrastructure

2020 was the culmination of one of our most ambitious goals – to help move three communities toward increased access to commercial composting of food scraps and compostable packaging. We are proud to say that we were involved in three communities – Atlanta, Chicago, and Sacramento – that are in a better place today in this regard than they were when we started. As these cities continue to grow, we know that the work isn't done. We will continue to be involved and look forward to our next iteration of this goal – seven communities across North America by the end of 2023. Let's get to work.

## WITHIN ALL THESE SUCCESSES LIES A FUNDAMENTAL TRUTH:

We can't do this hard work on our own. We continue to call on a plurality of voices to create enduring solutions to the lack of infrastructure and end-markets required to reclaim our global packaging waste. This necessity leads to productive and lasting partnerships with like-minded organizations also willing to do the hard work. Collaboration is at the core of what we do; you see it every time you look at Eco-Products and our growing list of shared success stories.

2020 was among the most challenging years in the thirty-year history of Eco-Products. What we'd hoped would be a year of celebrating this milestone

turned into remote happy hours and video calls. While it wasn't the year we planned, it was a year of progress and growth. This is a business, a team, and a brand that has been built to endure through good times and bad. As the global economy begins to focus on signs of recovery, our sights remain on our mission of advancing the cause of waste diversion through the use of packaging made of compostable and post-consumer recycled materials.

**In any given year there are no shortages of distractions, and 2020 had more than its share. At Eco-Products, we remain focused on our goal of a Zero Waste future and toward this target, our aim is true.**



## THE ECO-PRODUCTS DIFFERENCE

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

We make our products – from cups to plates to containers – using renewable resources or post-consumer recycled content, but our work does not end there. As recognized leaders in Zero Waste, we are adamant about scaling waste diversion practices and infrastructure with our customers and partners in the markets where we operate. We seek to collaborate with everyone we engage – employees, customers, and community leaders – on how to implement successful organics recycling programs. We believe passionately in Zero Waste solutions and bring that passion into our work every day.

We are proud of our work and leadership within industry-wide efforts to facilitate the growth of commercial composting infrastructure and recycling end markets.

As a certified [B Corp](#), we are serious about our commitment to operating responsibly, sustainably, and transparently. We drive continuous improvement by setting goals and holding ourselves accountable for achieving them.

**Celebrating our 30th year in 2020, we are proud of the work that we have accomplished to elevate Zero Waste solutions and we are re-affirming our commitment to continue this work over our next 30 years, and beyond.**

We continue to monitor sustainability trends and best practices including the [United Nations Sustainable Development Goals](#), which includes many targets for institutions, such as Eco-Products, to pursue by 2030 to improve our world. Working with our parent company – Novolex® – we seek to align our broader efforts with the following goals:



Eco-Products' strategies that promote composting infrastructure expansion coupled with our collaboration with foodservice establishments to promote Zero Waste align with the Sustainable Development goals 11, 12, and 13.

ECO PRODUCTS®



67  
EMPLOYEES

2020 REVENUE  
\$200+  
MILLION

500+  
PRODUCTS



MARKETS:  
U.S., Canada,  
Latin America,  
and Europe

HEADQUARTERS:  
Boulder, CO

PARENT COMPANY:  
NOVOLEX®

## ABOUT THIS REPORT

Eco-Products' eighth annual sustainability report highlights our successes and progress in regard to our social and environmental goals. We believe that Zero Waste is one of the solutions to the climate crisis, we are excited to be a part of that solution, and we love to tell the story of how we do that.

Our external Sustainability Advisory Committee, comprised of experts from the private and academic sectors, continues to help us optimize and report on our sustainability and social impact. In 2020, we welcomed Sarah Martinez with The Clorox Company (formerly our Director of Marketing) to our advisory committee, which is comprised of:

### DAVE NEWPORT

Director of the Environmental Center, University of Colorado

### ERIN DECKER

Director of Cleantech Client Management, Schneider Electric

### JENNIFER LEITSCH

Director of Corporate Responsibility, CBRE

### 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

*We want to sincerely thank Jeff Hohensee for his many years of guidance and wisdom on our Sustainability Advisory Committee.*



## LOOKING BACK: 2020 PROGRESS REPORT

In 2020 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.

The next four pages show a high-level view of the goals we accomplished, as well as where we struggled. The rest of this report details how we achieved what we set out to do, the obstacles we are still trying to overcome, and our goals for the future.

### ZERO WASTE INFRASTRUCTURE

Play an active role in the successful expansion of access to commercial composting of foodservice packaging in at least three communities.

We helped to expand access to composting in Chicago, Sacramento, and Atlanta, and supported work in other communities as well.



ACHIEVED

Develop an outreach plan with our sister companies in Canada and Europe on how to engage their regional organics management stakeholders.

We were able to develop an outreach plan with our Canadian sister company but did not complete a plan with our European sister company.



NOT ACHIEVED,  
BUT STILL WORKING ON IT!

Every year have 25% of our employees at headquarters be Zero Waste ambassadors at a Zero Waste event.

As the COVID-19 pandemic caused nearly all planned events to screech to a halt in March of this year, we did not have the opportunity for our team to be Zero Waste ambassadors this year.



NOT ACHIEVED

### ZERO WASTE FOODSERVICE OPERATORS

Establish a representative baseline of waste diverting activities in top National Accounts using our waste diversion database.

We further developed our database and developed a baseline of waste diverting activities at top customers within our National Account footprint.



ACHIEVED

Help at least 14 foodservice operators implement a front-of-house organics diversion program.

While this year was a significant challenge for foodservice operations, we are proud to say that we were able to help over 14 operators either actively implement a Zero Waste program or prepare their operations for once in door dining is allowed in their area.



ACHIEVED

Implement a Zero Waste program with a strategic partner, such as a food service management company, distributor, or multi-unit chain account.

We worked with multiple multi-unit operations to develop Zero Waste Programs in 2020. Some of this progress was put on hold due to COVID-19, however many of these programs are ready to go once things get back to "normal."



ACHIEVED

Implement a process to continuously identify and remove non-compostable products from waste diverting National Accounts with access to commercial composting.

We improved upon our process for identifying and removing products that would serve as contamination in a Zero Waste Program (i.e., post-consumer recycled content products at an operation with compost collection). We specifically focused on markets that have access to commercial composting of compostable foodservice packaging and have a policy that requires compostable products (such as in San Francisco, Seattle, and Minneapolis) but there is still room to grow to make sure contaminants do not make it into the commercial composting stream.



ACHIEVED



**OUR PRODUCTS & SUPPLY CHAIN**

**Provide an FSC®-certified option for hot cups and soup cups.**

We've obtained FSC certification on a special-order basis for those customers that are interested, and we will continue to expand this offering.

**ACHIEVED**

**Explore alternative materials and products that continue to strengthen the sustainability credibility of our product bundle.**

We've researched and identified multiple ways to strengthen the sustainability credibility of our products and continue to bring innovative offerings into our bundle.

**ACHIEVED**

**Incorporate post-consumer recycled content in product sleeves for one SKU as a pilot project.**

We have identified sources of sleeves made with post-consumer content and will pilot these next year for select SKUs.

**IN PROGRESS**

**Determine opportunities to incorporate certified sugarcane fiber into our supply chain and develop a road map for achieving certification.**

We are currently pursuing certification for our sugarcane fiber products, however, due to budget concerns, we were unable to make meaningful progress on this goal.

**IN PROGRESS**

**By 2022, achieve certifications that validate environmental attributes for beginning-of-life for our top five substrates/materials: virgin paper board, recycled paper board, sugarcane/bagasse, rPET, and PLA.**

We are working towards certification on these items and are on track to achieve this goal by 2022.

**IN PROGRESS**

**Work with all manufacturing suppliers to annually complete and update the sustainability component of the supplier scorecard.**

We continued to work with our main, tier 1 suppliers to report on their sustainability initiatives, but did not complete this work for all suppliers in 2020.

**NOT ACHIEVED**

**OUR PEOPLE**

**Every year, have at least 90% of our employees include a sustainability goal in their performance review.**

In 2020, over 90% of employees set a sustainability goal in their performance review.

**ACHIEVED**

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

We held multiple virtual lunch-and-learns with a sustainability focus.

**ACHIEVED**

**Provide training on diversity and inclusion in the workplace.**

We provided training and established a new Justice, Equity, Diversity, and Inclusion (JEDI) committee to ensure these values continue to be integrated into all of our work.

**ACHIEVED**

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

We continued to reach out to diverse candidates for open positions on our team.

**ACHIEVED**

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

In 2020, over 45% of our employees used paid time off to volunteer.

**NOT ACHIEVED**



OUR OPERATIONS

Keep our headquarters' water consumption at 2016 levels while growing the business.

In 2020, we saw a 44% decrease in water consumption at our headquarters; as COVID-19 drove many of us to work from home in 2020, this was driven in large part by reduced occupancy levels.



Decrease our CO<sub>2</sub>e emissions from business air and car travel per \$1,000 in sales by 5% relative to 2019 travel.

We reduced our CO<sub>2</sub>e emissions from business travel relative to sales by nearly 65% as compared to 2019 levels. Of course, a lot of this decrease was due to the lack of business travel for much of 2020.



Every year, reach and maintain waste diversion of 90% or greater at headquarters.

Our waste diversion continued to hold steady at 70% at our headquarters. We will continue to find ways to divert more material as we keep pushing to our goal.



Achieve net-zero electricity consumption at our headquarters.

In 2020, the two solar systems installed on our facility produced 164% MORE electricity than we consumed; while reduced building occupancy resulted in us using less electricity than we do in a 'normal' year, we believe our solar panels will continue to generate more electricity than we use in future years.





## ZERO WASTE INFRASTRUCTURE

We see the growth of the commercial composting industry as not only crucial to our long-term success but as a key solution to the climate crisis as well; it is that belief and passion that fuels us every day.

At Eco-Products we are proud to have been able to continue to support the growth and expansion of Zero Waste infrastructure despite a global health crisis and the resulting challenges to businesses and economies nationally and globally. While the COVID-19 pandemic did lead to events being canceled, campuses being closed, and a wide variety of other business disruptions, we heard from many of our customers and stakeholders that it has also offered the opportunity to step back and take stock of the sustainability priorities within their operations. As more governments, institutions, and brands embrace Zero Waste goals, Eco-Products continues to support multi-sectoral and impactful solutions to address some of the most critical issues and challenges in the widespread availability of commercial composting.

### HELPING THE COMMERCIAL COMPOSTING INDUSTRY GROW

While the challenges to the commercial composting industry continued into 2020 (see opposite page), we have addressed those challenges head-on this year, including through our partnerships with the US Composting Council, the Compost Manufacturing Alliance (CMA), and through the work that our Product and Zero Waste Specialist team and our Sustainability Maven do every day.

#### Reducing contamination and addressing degradation concerns

In 2019 we supported a study conducted by Eco-Cycle, a Zero Waste education and advocacy organization, to explore questions around contamination issues within foodservice operations. There are two findings from the report that we have focused on integrating into our work with customers and stakeholders this year. First, the study showed that foodservice operations that use only compostable or durable materials in their front of house operations were much more likely to have near-full food waste capture with low contamination. Second, the study showed that proper signage and labeling on products and collection bins increases capture rates for composting.

In 2020, we continued to refine our work with compost manufacturers to ensure that contamination was minimal in loads coming from our customers. Working back from the pile, we worked to move foodservice operators towards greater use of compostable foodservice packaging and improved

*“The secret sauce to the compost pile is not our container. The secret sauce is literally the sauce.*

*We are the vessel to help get it there.”*

-Wayne, Eco-Products Product and Zero Waste Specialist

signage and training to ensure that non-compostable items make it into the proper bin.

We love our products, but we know that composting operations are only successful when they take in a balanced feedstock that includes both food waste and compostable foodservice items like our plates, cups, and containers. That is why we work across our entire business, from foodservice operators generating food waste to compost manufacturers collecting, sorting, and ultimately creating the final compost product. We know that for Zero Waste systems to be successful, we need to ensure that they work for all

## 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.



of the players involved, from the compost manufacturer to the foodservice operator, to the consumer drinking out of our GreenStripe® cups.

**Field Testing**

We also recognize that “certified compostable” in a lab does not always translate to what compost manufacturers are seeing break down in their piles. Recognizing the need to ensure the compost manufacturers we work with can see adequate degradation from our products, in 2019 and 2020 we worked with CMA to field test our products for degradation in real compost piles—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, and we look forward to receiving CMA’s approval on additional product types in the near future.

We are leveraging every opportunity we can to support Zero Waste systems and look forward to continuing to build on this work in 2021 and beyond.

**The Impacts of Policy**

Navigating the various policy and regulations that govern waste infrastructure, packaging, and labeling of foodservice items at the state and local level can sometimes feel like it requires a detailed roadmap. We monitor state and local policy that will impact our customers and help them navigate this complex policy landscape. We also engage with leading industry organizations such as the US Composting Council, the Biodegradable Products Institute (BPI), and local state composting chapters to address emerging legislation.

We are proud to continue our support of field testing our entire compostable assortment of products in all CMA composting technologies.



**Proper Labeling**

One way that policy can be used as a tool to reduce contamination is by ensuring that products are labeled properly. Due to concerns regarding commercial composting contamination and the need to ensure that items that make it into a compost manufacturer’s pile actually break down as they are supposed to, there is a push to improve labeling on compostable foodservice products. We have obtained BPI certification, which relies on lab testing to American Society of Testing and Materials (ASTM) composting standards on the vast majority of our GreenStripe products. We also ensure all our products are properly labeled so that a consumer clearly understands which bin the item should go in once they are done using it. This year BPI released guidelines for the labeling and identification of compostable foodservice packaging; these guidelines are intended to make it easier for consumers, composters, and others to determine which products are certified compostable. The hope is that this leads to reduced contamination and increased food scraps recovery. We are proud to have supported this process and will continue to follow BPI’s guidance on labeling to ensure that our products contribute to Zero Waste solutions in communities across the county.

This year BPI released guidelines for the labeling and identification of compostable foodservice packaging; these guidelines are intended to make it easier for consumers, composters, and others to determine which products are certified compostable.



To complement product labeling our sales team works with our customers to promote effective signage and communications where our products are used to help their consumers make the right choice. We also supply compostable stickers to ensure that there is clarity of the proper destination of that compostable containers – the compost bin.



**EXPANDING COMMERCIAL COMPOSTING INFRASTRUCTURE**

We are thrilled with our team’s accomplishments in 2020 as we continued to leverage our relationships and expertise in Zero Waste to help expand commercial composting infrastructure and access across the country. We did this by:

- [1]** Working to connect composters to new sources of feedstocks that provide value by increasing their route density and provide greater materials for their operations.
- [2]** Supporting haulers and compost manufacturers that are entering new markets.
- [3]** Using our composting infrastructure and policy database to identify key areas for potential expansion of composting infrastructure.



**Sacramento**

Working with a high-level foodservice operator and event venue in Sacramento in 2019, we began to facilitate conversations regarding front-of-house composting. As interest in employing Zero Waste solutions for this facility grew, we were able to engage other players and partners in the conversation to build momentum. In response to this interest, a local hauler started operations in the area to pick up food scraps and compostable packaging.

Our work in Sacramento is an example of how fostering strong relationships with foodservice operators and organics haulers can result in successful Zero Waste stories. By bringing the right players to the table and supporting the Zero Waste goals of the hard-working foodservice operators, haulers, and compost manufacturers alike, we saw a massive step in the right direction towards expanded infrastructure and access to composting in California’s capital.

**Atlanta**

In 2019, we supported composting infrastructure expansion in Atlanta by connecting key players in the area who were interested in taking Zero Waste solutions locally to the next level. Recognizing the immense sustainability and economic opportunity that existed, a local mulching facility began working with a veteran biosolids composting operation to start a commercial composting site outside of Atlanta. We supported this effort by working through contamination and product degradation concerns and bringing new opportunities to the table to continue to build momentum.

Over the next few years we anticipate that this market will increase in size substantially as more foodservice operators recognize the value of making and following through on Zero Waste commitments. While the market is still in an early growth phase, there is a ton of potential in Atlanta and we look forward to continuing to support the maturation of Zero Waste in this fast-growing metro area.

It takes many partners to build commercial composting infrastructure, and we want to specifically express our gratitude to one of our polylactic acid (PLA) suppliers, NatureWorks, for their hard work in Atlanta.

**Chicago**

With the addition of our Midwest Product and Zero Waste specialist in 2019, we are excited about our ability to work on the ground in this region. Much of our effort in the Midwest has focused on supporting and expanding the infrastructure for commercial composting in and around the Windy City - Chicago. As the third largest city in the United States, expanding access to commercial composting in Chicago would provide access to Zero Waste solutions to millions of individuals and thousands of businesses.

In 2020, we worked with key partners like the Illinois Food Scrap Coalition (IFSC) to better understand the current landscape and identify what is needed to expand the acceptance of food waste and compostable packaging. The IFSC is developing a pilot study with two composting facilities in the Chicago marketplace to determine which certified compostable materials break down at these specific facilities. Additionally, we began work with one large hauler and composter to begin accepting foodservice packaging on a case-by-case basis (specifically, when the feedstock is reliably free of contaminants.)

We are excited to see the growth in the Chicago market in 2020 and proud of the work our team has done to support the hard-working haulers, foodservice operators, compost manufacturers, and so many others that are expanding Zero Waste infrastructure across the region. Through our team and partners’ dedication we have seen these conversations and initiatives move forward; assuming the progress continues unabated, we are encouraged by the momentum building that will make commercial composting more widely available and accessible within the coming years in the Chicago market.

**International Markets**

Beyond our work in the United States, we continue to support expanded access to commercial composting infrastructure abroad. Our sister companies (Polar Pak® in Canada and Eureka Caterware™ in Europe) continue to develop relationships with commercial composting partners and foodservice operators to grow the opportunity to compost food scraps and compostable packaging in these regions.

This year, we worked on outreach plans to implement our approach to Zero Waste in the European and Canadian markets—and we couldn’t be more excited about the opportunity to support Zero Waste solutions in these regions.



**RECYCLING IN 2020**

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<sup>2</sup> 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. In 2019, we increased our use of post-consumer recycled polyethylene terephthalate (rPET) in our BlueStripe® cold cups from 25% to 30%, and we are constantly looking to improve our BlueStripe line and increase the amount of post-consumer material that we use in our products.

We increased our use of post-consumer rPET in our BlueStripe cold cups from 25% to 30%.

**LOOKING BEYOND: OUR ZERO WASTE INFRASTRUCTURE GOALS IN 2021**

Our work to support Zero Waste systems and infrastructure across all the markets we serve is core to our business model; not only that, it is our passion. We believe that our authentic dedication to creating a whole, complete, and relationship-based infrastructure for Zero Waste in a community is essential not just for our success as a company, but for the betterment of our communities and the environment.

In 2021 and beyond, we will continue to take a leadership role by promoting stakeholder understanding of what Product Stewardship/Extended Producer Responsibility for compostable packaging looks like. We will also increase our familiarity with commercial composting infrastructure in international markets where we are seeing increased use of compostable packaging. And most importantly, by 2023, we will play an active role in the successful expansion of access to commercial composting of foodservice packaging in at least five communities in the United States and two communities in Canada. We look forward to reporting back on our progress for each of these goals!

<sup>2</sup> A circular economy is one in which resources are kept in use for as long as possible to maximize the value of the resource, and then recovered to regenerate products and materials at the end of the resource's life; this is in contrast to the traditional linear economy, which focuses on a make-use-dispose model for resources.



**LOOKING BEYOND**



**ZERO WASTE INFRASTRUCTURE**

Expand access to commercial composting across our markets.

**In 2021 we will:**

- » Evaluate the role of what Product Stewardship/Extended Producer Responsibility considerations for compostable packaging could look like.
- » Increase familiarity with international commercial composting infrastructure in markets that are increasingly using compostable packaging.

**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 OPERATORS

**Our customers are core to our business, and those that have taken the sometimes-winding road toward Zero Waste are the shining stars that we point to.**

We have continued to invest support in our Zero Waste focused customers. Additionally, each year we set a goal of helping a certain number of customers convert to be Zero Waste operators, meaning that they have implemented some sort of front-of-house composting program.

In 2020, our goal was fourteen Zero Waste operator conversions, and despite the tremendous challenges that this year brought to the foodservice world, in particular, we are proud to say that we reached this goal and had a slew of customers who started collecting food scraps and compostable foodservice ware in the front of house.

### PRODUCT & ZERO WASTE SPECIALIST TEAM (FORMERLY KNOWN AS OPERATOR SPECIALISTS)

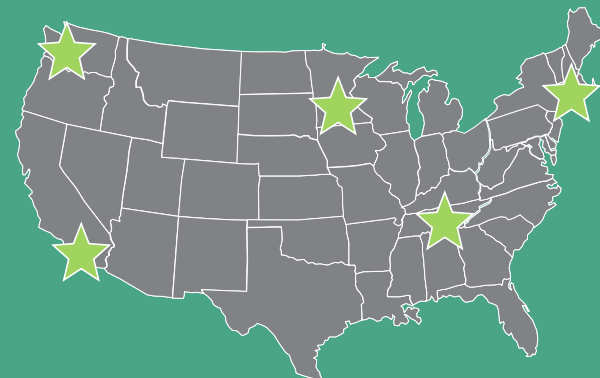
We know that our focus on creating better Zero Waste infrastructure sets us apart in the market, and we also know that it provides value for our customers, stakeholders, and communities in immeasurable ways. Our Product and Zero Waste Specialist team are our heroes in the field. These individuals, all of whom have worked in the waste diversion world for years, act as experts and connectors-of-dots for foodservice operators and compost manufacturers alike. They understand the challenges faced by composters and haulers, and they are uniquely qualified to advance waste diversion in meaningful ways in their regions.

We believe that these relationships cultivate compassion and lead to sustained success.

Our Product and Zero Waste Specialists wear multiple hats at once, orchestrating the collaborative partnerships to support expanded commercial composting infrastructure, while also providing immeasurable support for foodservice operators looking to implement front-of-house composting systems. This support comes in many forms, including staff trainings, marketing resources, and answering the often-confusing questions around what Zero Waste means and how to integrate it into operations. Meanwhile, this team plays an active role in monitoring local legislation and policies that will impact our customers' operations, as well as supporting conversations that will lead to expanded infrastructure.

The work this team does is essential to not only our success as a company but also to ensuring that our customers and partners can achieve their Zero Waste goals.

### Product & Zero Waste Specialist Outposts



#### Product & Zero Waste Specialist duties include:

- » Keep up to speed on local legislation, policy and composting infrastructure.
- » Support broker and distributor reps with any key operator opportunities.
- » Gatekeep database and analytics specific to our network of composters and haulers in their marketplace.
- » Assist in the advancement of waste diverting operators by offering both marketing and training support.

## CASE STUDY: VAIL RESORTS

Vail Resorts is the premier mountain resort company and operates 37 resorts globally.



In 2017, the company set a bold sustainability goal: to achieve a zero net operating footprint by 2030, including Zero Waste to landfill.

The Commitment to Zero goal is to eliminate all single-use, non-recyclable, guest-facing conventional plastic products across resorts.

Vail Resorts partnered with Eco-Products to provide disposable food and beverage items like cups, utensils, and grab-and-go containers made from plant-based and recycled materials that align with regional waste streams so they can be composted and recycled, rather than landfilled.

Leveraging our relationships with key haulers and composters in various regions, Eco-Products supports Vail's composting efforts by piloting front-of-house composting programs at a few resorts that currently do not have access to commercial composting.





**WASTE DIVERSION DATABASE**

Because our Product and Zero Waste Specialist team members wear so many hats simultaneously, we embarked on creating a database to track Zero Waste infrastructure and opportunities around the United States. This database is home to a wealth of useful information on Zero Waste policies, regulations impacting diversion, existing infrastructure, planned infrastructure, and where there is interest in developing infrastructure and/or enhancing Zero Waste initiatives. We then combine this data with information on where our products are being used, allowing us to identify potential partnerships or existing synergies that can be leveraged to grow commercial composting infrastructure and create Zero Waste success stories in markets across the United States.

In 2020, we added the waste diversion activity that we are aware of with the largest Eco-Products users at top National Accounts to this existing database. This gives us a good snapshot of how each National Account is doing generally regarding waste diversion, and where there are opportunities to further support Zero Waste goals and infrastructure. We plan to continue to refine this data and hope to communicate it to each of our National Account partners in an annual report.

**LOOKING BEYOND: PRODUCT AND ZERO WASTE SPECIALIST GOALS FOR 2021**

We intend to keep our team busy over the coming years. In 2021, we will help at least 25 foodservice operators implement a front-of-house Zero Waste program, as well as support our Canadian sister company Polar Pak® to implement three front-of-house Zero Waste programs with their customers. Additionally, in 2021 we will create an annual report for our National Account partners on the waste diversion activity of their top customers purchasing our items through the use of our Waste Diversion Database. Our work to support Zero Waste infrastructure and solutions in the United States and beyond is never-ending, and we can't wait to report on our progress over the coming year!



**LOOKING BEYOND**



**ZERO WASTE OPERATORS**

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

**In 2021 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.
- » Create an annual report for our National Account partners<sup>1</sup> on the waste diversion activity of their customers who are purchasing our items.

<sup>1</sup>Our National Account partners include multiple large foodservice management companies.



## OUR PRODUCTS & SUPPLY CHAIN

We are committed to protecting the environment while continuing to provide high-quality and reliable foodservice packaging.

As Eco-Products continues to grow, so do our available offerings of environmentally preferable foodservice products. In 2020, we did expand the offerings in many of our existing product lines, and we have other exciting products in the works for the coming year.

### 2020 PRODUCT DEVELOPMENT

Our Product Development Team stayed very busy throughout 2020, releasing new products within existing product lines, experimenting with cost-savings formulas on existing products, and leading research and development on new products for ourselves, as well as in support of our parent company, Novolex®.

Some products that we have worked on this year include:

[ 1 ]



We reintroduced our **PAPER COLD CUPS** with a PLA lining on the outside and inside; these products are particularly useful in locations that want to avoid single-use plastics, but where heat and humidity conditions may compromise the integrity of a traditional PLA cup (such as in the Caribbean).

[ 2 ]



We introduced “ready-to-bake” **MOLDED FIBER PIZZA TRAYS** for the Grocery segment.

[ 3 ]



We continued to expand our **VANGUARD™** line by introducing additional shapes and sizes to the product line.

[ 4 ]



We are also excited to have **COMPOSTABLE STICKERS** available, which are especially helpful with labeling to ensure that the compost stream stays clean.



**VANGUARD PRODUCT LINE**

Our Vanguard products, which we introduced in 2019, are made of sugarcane molded fiber and do not contain intentionally added per- and polyfluoroalkyl substances (PFAS). While PFAS have been approved by the U.S. Food and Drug Administration (FDA) for use in foodservice packaging as a grease-proofing agent, recent studies show that widespread use of these chemicals in foodservice packaging and other manufactured products have led to these chemicals, sometimes referred to as ‘forever chemicals,’ showing up in the environment and even human blood. Consequently, in 2020 the FDA worked with U.S. manufacturers of PFAS chemicals to begin phasing out sale of selected PFAS for use in the U.S. for the foodservice product market, with a goal of these products being completely out of the market by the end of 2023. Eco-Products and our parent company Novolex will abandon the use of all PFAS materials by that date.

As we have continued to expand the Vanguard product line, we recognize that there is also a need to ensure that PFAS are not being replaced with other hazardous substances. We certified with third party toxicology assessors to verify the safety of alternative materials through the SciveraLENS® RapidScreen process and continue to work on additional verifications.

In addition to the plates, bowls, and clamshells that were part of the original Vanguard product line release, we also prepared a slew of Vanguard products to launch in 2021.



**ADDRESSING REGRETTABLE SUBSTITUTES**

We take our commitment to sustainability seriously, and that includes understanding how the materials in our products impact the environment and human health. Recognizing the concern regarding exposure to PFAS, in 2020, we launched an effort to verify that our new chemistry package developed for our Vanguard line would not be a “regrettable substitute.” In other words, we wanted to ensure that the materials that we have used in place of PFAS are not a step backward and are deemed safe by chemical hazard experts.

**A two-step process to ensure no regrettable substitutes in our Vanguard formulation:**

**STEP 1. RESTRICTED SUBSTANCE LISTS:**

Evaluation of our chemistry against a regulatory and voluntary Restricted Substances Lists (RSL’s), ensuring none of the chemicals used were cited on these lists

**STEP 2. SCIVERALENS RAPID SCREEN:**

Conducted a chemistry hazard assessment via a tool called SciveraLENS RapidScreen. This tool assesses the hazard characteristics of each chemical, confirming that the alternatives we are using to replace PFAS are safe for human health and the environment

As part of this step, Eco-Products reached out to our suppliers of the Vanguard chemistry and in-turn each sub-supplier who provides sub-components of the formulation to run a hazard assessment against 23 human and environment endpoints.

These yielded a comprehensive assessment using Scivera’s GHS+ approach, which is based on the United Nation’s Globally Harmonized System for Classification and Labeling of Chemicals



**BEGINNING-OF-LIFE CERTIFICATION**

As we work to continue to provide best-in-class options for foodservice operators looking to make an environmentally preferable choice, we recognize the need to back up our claims with third party certifications. As such, we are focused on obtaining beginning-of-life certifications for our five most used substrates by 2023: virgin paper board, recycled paper board, sugarcane/bagasse, post-consumer recycled polyethylene terephthalate (rPET), and polylactic acid (PLA).

One of the things we are most proud of in 2020 is now having Forest Stewardship Council® (FSC®) certified hot cups and soup cups available to our customers. Products that are FSC certified are verified as having come from forests that are managed responsibly and that provide environmental, social, and economic benefits. As awareness of the climate crisis grows, more communities, institutions, and local governments are recognizing the importance of making environmentally preferable decisions, and we are excited to be able to provide our customers with a clear option to meet their sustainability goals with our FSC-certified products.

The FSC promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests. The unique role of the FSC is to bring together people, organizations, and businesses to develop consensus-based solutions that promote responsible stewardship of the world's forests. Eco-Products uses the FSC Trademark License C010800 for our certified chain of custody products.



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





**MANAGING OUR SUPPLY CHAIN**

We see our relationship with our suppliers as just that – a relationship, not simply a business transaction.

Across our business, we have partnered with companies around the globe to source the materials and supplies needed to create our products. By extending our commitment to being an environmentally and socially responsible business to our suppliers, we are meeting our customers’ and our communities’ expectations of good business conduct.

**Expectations of our Suppliers**

Eco-Products suppliers play a key role in our ability to support our customers and meet their expectations that our products are manufactured responsibly and are qualified to produce food contact products.

In 2020, we introduced a governance process to ensure suppliers abide by global best practices relating to human rights, safety, and environmental standards. These obligations are set out in the Novolex Supplier Code of Conduct.

Our suppliers must have at least one of the following food safety certifications recognized by the Global Food Safety Initiative:

- » Food Safety System Certification (FSSC 22000)
- » Brand Reputation Compliance Global Standards (BRCGS) certification
- » Safe Quality Food (SQF) certification
- » International Featured Standard (IFS) food certification

**LOOKING BEYOND: OUR PRODUCT AND SUPPLY CHAIN GOALS IN 2021**

As we continue to grow in 2021 and beyond, we also intend to ensure that our growth is environmentally and socially responsible and that we help our customers to make the best choice from our product lines to meet their needs. Our certification program will support the transition our entire hot and soup cup portfolio to certified sources. Additionally, we plan to roll out a new samples process that allows us to send out single sample items to interested customers, rather than a whole sleeve. This will reduce the environmental footprint of our sample process and is likely to reduce our waste and our customers’ waste as well. In 2021, we will start production in the U.S. of selected compostable cold cups made with polylactic acid. This will facilitate speed to market and reduce dependence on international supply chains. We intend to work with our major manufacturing suppliers to ensure they have received third-party factory certifications.

**The Novolex Supplier Code of Conduct includes requirements related to:**

- Human rights
- Environmental protection
- Health and safety
- Anti-corruption and fair competition
- Data protection and information security



**LOOKING BEYOND**



**OUR PRODUCTS & SUPPLY CHAIN**

Encourage greater use of certified paper products by customers and enhance our other product certifications.

**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.
- » Implement a new process for sending sample products to customers that allows us to send single items as needed (rather than full sleeves).

**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.
- » Evaluate feasibility for achieving carbon neutrality for select product footprints.

**By 2023 we will:**

- » All of our Tier 1 manufacturing suppliers will adhere to our highest standard of third-party factory certifications.



## OUR PEOPLE

One of the best parts of our work is the amazing people that we have on our team.

Eco-Products employees are passionate about the work they do, as well as why they do it. Our team members are dedicated to serving the communities where they live and work, to bringing a sense of purpose to their work, and to finding creative, innovative, and approachable solutions for our customers' most pressing Zero Waste challenges. We strive to promote a culture of inclusivity, entrepreneurialism, and action, and in 2020 we made significant strides on these fronts, and especially on addressing diversity and inclusion in our workplace and in the communities we serve.

### THE JEDI COMMITTEE

While diversity and inclusion have been priorities within our team and management structures for many years, 2020 shined a new light on the need to address injustices, systemic racism, and inaccessibility wherever they appear in our society. We recognize that we have a role to play in ending systemic racism and enhancing equity on our team and through our work. Our newly formed Justice, Equity, Diversity, and Inclusion (JEDI) committee began meeting in the summer of 2020 to accelerate this important work at Eco-Products.

Aside from having an undeniably cool name, the JEDI committee will remain an integral part of how we approach our practices of 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. This committee will meet quarterly and offer regular lunch-and-learns to our employees to increase knowledge, awareness, and action around issues of diversity, equity, and inclusion.

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 well. As a certified B Corp®, we also regularly look to our fellow B Corps to learn about their strategies to strengthen diversity, equity, and inclusion in the workplace.

### SUPPORTING COMMUNITY ORGANIZATIONS

Each year, we support non-profit and public organizations across the country through our robust donation program. In 2020, we supported over 95 organizations and donated over 21,000 cases of product to worthy organizations. Our donation program is in line with our parent company's donation focus on food and hunger, sustainability, and health and wellness. With the tremendous challenges of 2020, we added increased focus on supporting organizations that were addressing food insecurity in their local communities. We were proud to support Open Arms Minnesota and FareStart in their great work.

We highlighted these two awesome organizations in videos telling the story of their work, which can be found on our [YouTube channel](#).



### CONNECTING REMOTELY

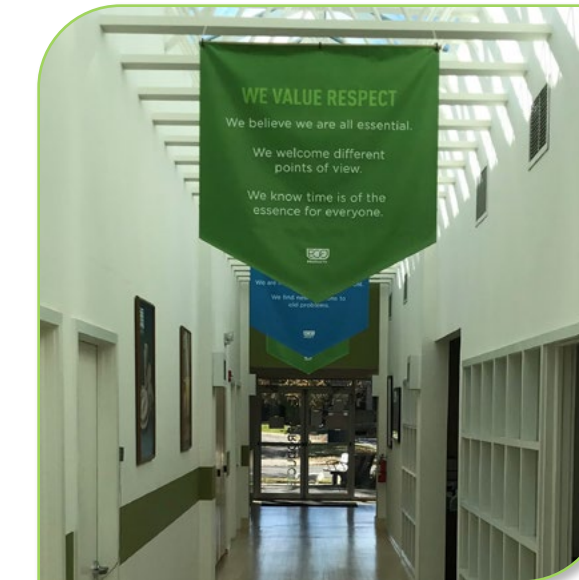
There is no way around it: 2020 was a year full of interesting pivots, canceled plans, and increased screen time. Our team handled all of this with grace and compassion. While we missed getting to see each other face-to-face regularly, whether in weekly meetings or passing by in the hallway, our team adapted quickly to this remote world in which we have found ourselves. In fact, in some cases it seems that our physical distance has actually brought us closer: seeing each other in our own homes, watching our teammates juggle partnerships, parenthood, and other responsibilities while also maintaining their focus at work is humbling and has allowed us to feel more connected to each other.

While we gleefully look forward to the days of a good old office potluck and catching up at the break room coffee pot, we are immensely grateful to our amazing team that turned a year of upside downs into an opportunity to better serve each other, our customers, and our communities in inspiring ways.



### ANNUAL EMPLOYEE SURVEY

We have been conducting an annual survey of our employees for several years now; in this survey we ask our employees about the values that we work towards as a company and how deeply they agree with these values and can see those values reflected in our work. We strive for more than two-thirds of survey respondents stating that they 'agree' or 'strongly agree' that we have successfully lived up to those values. For the first time this year we have reached that mark for every single value. Recognizing the challenges that 2020 has brought for many of us personally and professionally, we see this as an indication that the values that we hold up as a company have helped to connect our team members to their work and purpose in a new and meaningful way.



## Our Core Values

### Respect

We believe we are all essential.  
We know time is of the essence for everyone.  
We welcome different points of view.

### Authenticity

We are honest with ourselves.  
We are honest with everyone else.  
We communicate genuinely .

### Teamwork

We solve problems together.  
We celebrate the whole team when we win.  
We support each other when things don't go perfectly.

### Accountability

We say what we mean.  
We do what we say.  
We take responsibility and measure ourselves.

### Creativity

We find new solutions to old problems.  
We are not afraid of being different .  
We inspire each other.

### Fun

We enjoy what we do.  
We don't take ourselves too seriously.  
We smile more than we don't.



**LOOKING BEYOND: OUR TEAM IN 2021**

Across Eco-Products, our employees not only talk the talk of sustainability, but they also integrate this ethos into their everyday work and lives. As we move beyond our 30th year of operations, we will continue to support our employees, aiming for over 90% of our workforce incorporating a sustainability or diversity and inclusion goal into their performance plan and over 55% of our employees taking advantage of paid time off to volunteer in their community.

We will also continue to support charitable organizations, particularly those serving communities in need and those burdened by injustices and systemic racism, through our donations program. Our new goals in 2021 include analyzing our job description language and requirements to ensure they are inclusive and equitable, and ensuring that at least one candidate from an underrepresented group is a part of every interview process. Our JEDI group will be responsible for meeting quarterly and providing at least three JEDI-focused lunch-and-learns for our team. Finally, we will encourage and support the development and expansion of diverse business-owned composting operations across the country.

**5 Year Anniversaries**

Gary Muczko

Maria Cocchia

Mike Pusatera

**10 Year Anniversaries**

Ian Jacobson

Kate Bennett

Katrina Harvill

Nicole Tariku

Rhoda Scarpella

Steve Rosse



**LOOKING BEYOND**

**OUR PEOPLE**

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

**In 2021 we will:**

- » Not hold any interview process without including at least one candidate from an underrepresented group.
- » Analyze our job description language to ensure that it is inclusive and equitable.
- » Hold quarterly meetings of our newly formed Justice, Equity, Diversity, and Inclusion (JEDI) committee. This group will provide three JEDI focused lunch-and-learns.
- » 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.
- » Encourage the expansion of diverse composting and hauling operations.

**Every year moving forward we will:**

- » 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.
- » Have cross-functional and/or sustainability-focused employee activities/opportunities (such as lunch-and-learns or projects).



## SUSTAINABILITY IN OUR OPERATIONS

At Eco-Products, we do not just focus on sustainability within our products and the Zero Waste world. Rather, our commitment to sustainability is woven into the fabric of everything that we do as a company.

We are constantly seeking out new opportunities to reduce our environmental impact and do our part to mitigate the climate crisis. Our belief in making this world a better and more livable place extends to how we approach our daily operations, from the energy and water we use in our buildings, to how we travel, to the materials we consume and dispose of in our office.

### OPERATIONAL CARBON FOOTPRINT

We have been measuring the carbon footprint of our operations since 2010. With each iteration of this study, we have collected better data, improved our calculations, and increased our accountability. In 2020, our emissions decreased by 47% as compared to the previous year; while our 2020 emissions are still higher than they were when we first analyzed our footprint in 2010, we are also including more activities in that measurement as well. When we only compare the same activities in 2010 and 2020, we see that our emissions have decreased by 36%. As we all know, 2020 was not a 'normal' year in every sense of the word, but we are still excited about this achievement and look forward to continuing to reduce our emissions from operations going forward.

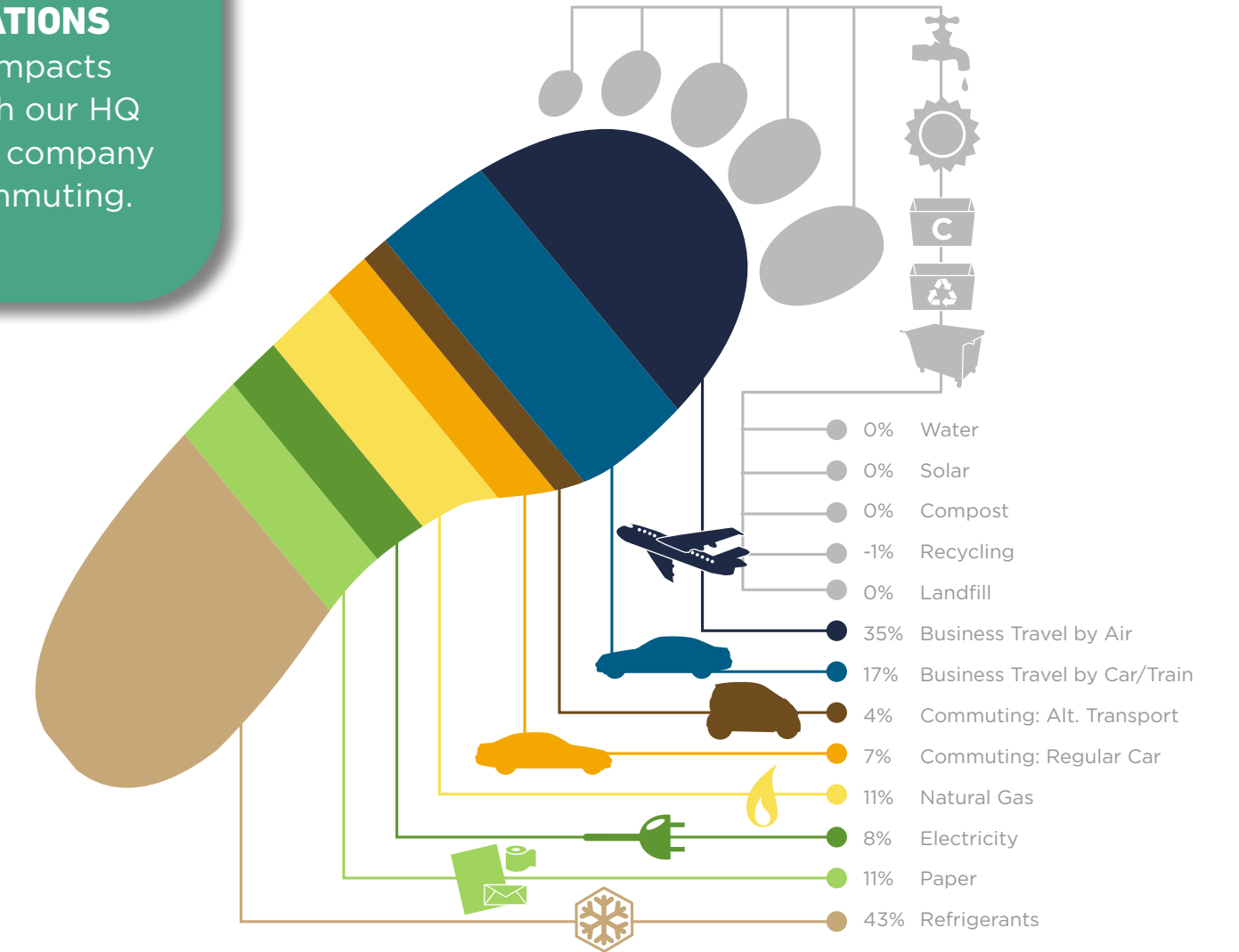
### Novolex's Greenhouse Gas Target

We are proud to be a part of a company that recognizes the urgency of the climate crisis and takes responsibility for the impact of its own operations. Our parent company Novolex® recently announced that it will work to reduce the greenhouse gas emissions from its own operations by 20 percent per ton of production by 2025.

By setting an intensity-based target (i.e., one measured based on unit of production), Novolex is cementing its commitment to improve the efficiency and impact of its operations and address opportunities for sustainability as it grows. The investments Novolex will make to reach its target include purchasing more renewable energy and improving energy efficiency throughout the company's facilities and offices. As Eco-Products continues to build infrastructure for domestic production, it will drive synergy across the Novolex and Eco-Products' operational footprint reduction goals.

### OUR OPERATIONS

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



Annually, we offset our operational carbon footprint through the purchase of high quality offsets from Schneider Electric.

For 2020, we purchased offsets for 324 mT CO<sub>2</sub>e. Since 2014, we have purchased offsets for 3,072 mT CO<sub>2</sub>e. That is the equivalent of 520 homes' electricity use for one year or 664 passenger vehicles driven for one year!



### [1] Energy Use in Buildings

Our goal is to operate our headquarters at net-zero electricity—which means that the solar panels that we have installed on our roof produce at least as much electricity as we consume. In 2020, we achieved and surpassed that goal, generating 64% more electricity than we consumed. The fact that most of our team worked from home in 2020 (due to the COVID-19 pandemic) contributed to a significant decrease in electricity use in our building. However, based on trends in our electricity use over the past few years and the amount of solar generated by our panels, we believe that we would have achieved our goal even if our team had been present in the office throughout the year. Because of this, we are confident that we will be able to continue achieving our net-zero electricity goal for years to come.

In addition to electricity, our headquarters office also uses natural gas for space and water heating. In 2020, we used almost 10% less natural gas than in 2019; again, a relatively empty office helped to contribute to this decrease in use, but we continue to explore every opportunity we can to weatherize our building and increase its energy efficiency.

### [2] Materials and Waste

As a company focused on Zero Waste solutions for our customers, we ensure our team is equipped with the knowledge and tools to divert their waste when they are in the office and out in the world. We measure this through spot waste audits throughout the year; we diverted 70% of our material from landfill in 2020. Moving forward, we will continue to work towards our goal of 90% waste diversion at our office.

### [3] Water Conservation

Every year we offset our water consumption by purchasing gallon-for-gallon water restoration certificates from the Bonneville Environmental Foundation. Through these certificates we are supporting water restoration projects across the United States.

Our home state of Colorado has been in a continuous drought for several years now, so we take our work to conserve and reduce water use in our headquarters very seriously. Fortunately, our office is not a water-intensive operation, so our focus on water consumption and conservation is primarily focused on water use in the bathrooms, kitchen, and landscaping.

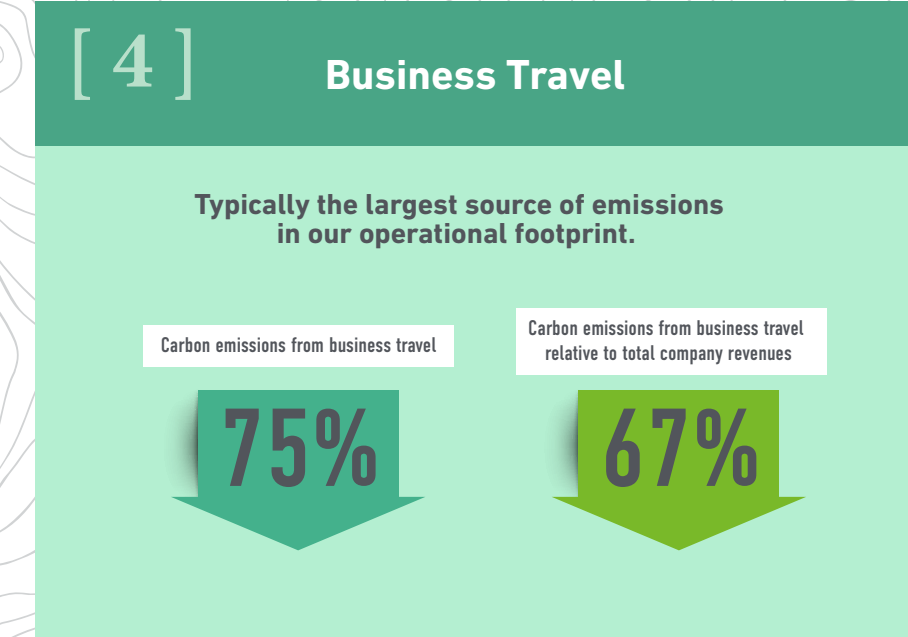
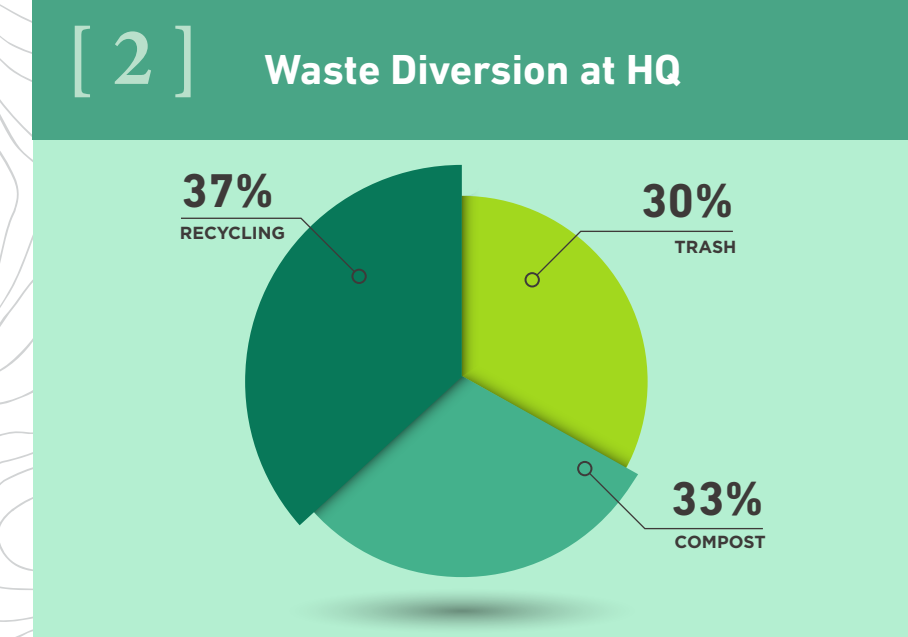
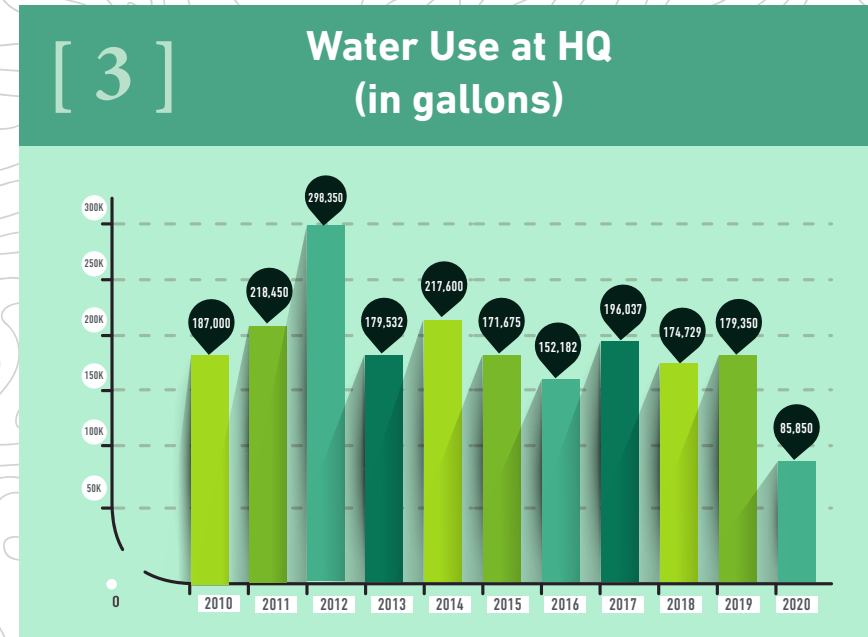
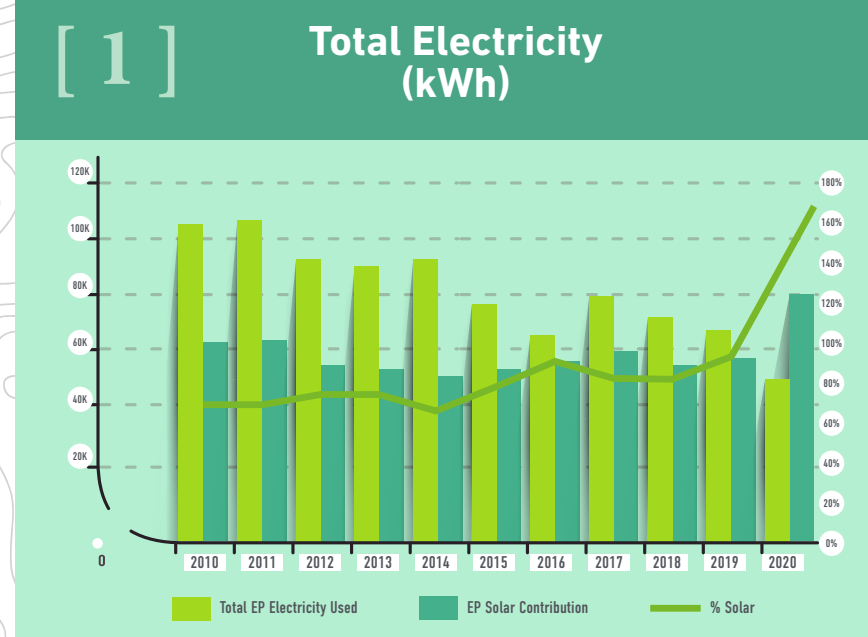
Our goal in 2020 was to keep our water consumption at the same level as it was in 2016, regardless of an increase in the total number of people employed at our headquarters. In 2020 most of our employees spent the bulk of the year working from home, which means fewer toilets flushing, dishwashers running, and coffee pots brewing. The result is that our 2020 water consumption levels were 44% lower than they were in 2016—far exceeding our goal. When we are all finally able to meet back in the office, we will continue our efforts to conserve our water resources through investing in low-water-use appliances, as well as focusing on drought-hardy landscaping. We will also continue to communicate our water conservation goal to our team to make sure that everyone is committed to slowing the flow from our faucets.

Every year we balance our water consumption by purchasing gallon-for-gallon water restoration certificates from the Bonneville Environmental Foundation. Through these certificates we are supporting water restoration projects across the United States.

### [4] Business Travel

Like many businesses in 2020, we experienced an abrupt halt to most of our 2020 travel plans in the spring. As the world grappled with a global pandemic, we heeded the advice of health experts locally and nationally and opted to transition most of our meetings, conferences, and other engagements to a virtual setting. While we missed seeing our customers, stakeholders, and partners face-to-face, the ‘next normal’ of meeting virtually offered a new level of intimacy and connection with the people we serve as we all navigated this crazy year together.

As a result of moving to virtual meetings, our carbon emissions from business travel, historically the largest source of emissions in our operational footprint, decreased by 75% between 2019 and 2020, and our emissions from business travel relative to total company revenues were down 67% from 2019 levels. While we are excited to begin meeting in person again, this year has also shown us how we can successfully support our customers and partners, improve our offerings, and run an incredible and dynamic team remotely. This is the knowledge that we will carry with us as we continue to grow over the coming years.





## LOOKING BEYOND



### OUR OPERATIONS

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

#### In 2021 we will:

- » Decrease our normalized carbon dioxide (CO<sub>2</sub>e) emissions from air travel and business car travel per \$1,000 in sales by 5% relative to 2019 travel.
- » Decrease paper use by 10% compared to 2019 levels.

#### Every year moving forward we will:

- » 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.

## 2020 SUSTAINABILITY HIGHLIGHTS & SUMMARY

This was a challenging year in many ways, but we are proud of our continued commitment to sustainability. Here are some highlights from our year!

### Zero Waste Operators: Vail Resorts

We supported Vail Resorts in their pursuit of Zero Waste by helping them to implement front-of-house composting programs at multiple resorts. We are excited to be the Zero Waste Partner for Vail Resorts!

### Zero Waste Infrastructure

Our Product and Zero Waste Specialist Team was involved in helping to increase access to commercial composting of food scraps and compostable packaging in three large communities: Sacramento, Atlanta, and Chicago.

### JEDI committee

We established our new employee led Justice, Equity, Diversity, and Inclusion committee. This group has set goals and will be executing against these goals in 2021 and beyond.

### Net Zero Electricity

After years of trying to hit our Net Zero Electricity goal, we finally made it in 2020. Our solar arrays actually produced over 160% of our electricity needed for our office. While 2020 saw a reduction in staff at the office, we expect we can maintain our Net Zero electricity status as more folks come back in 2021 and beyond.

### Vanguard

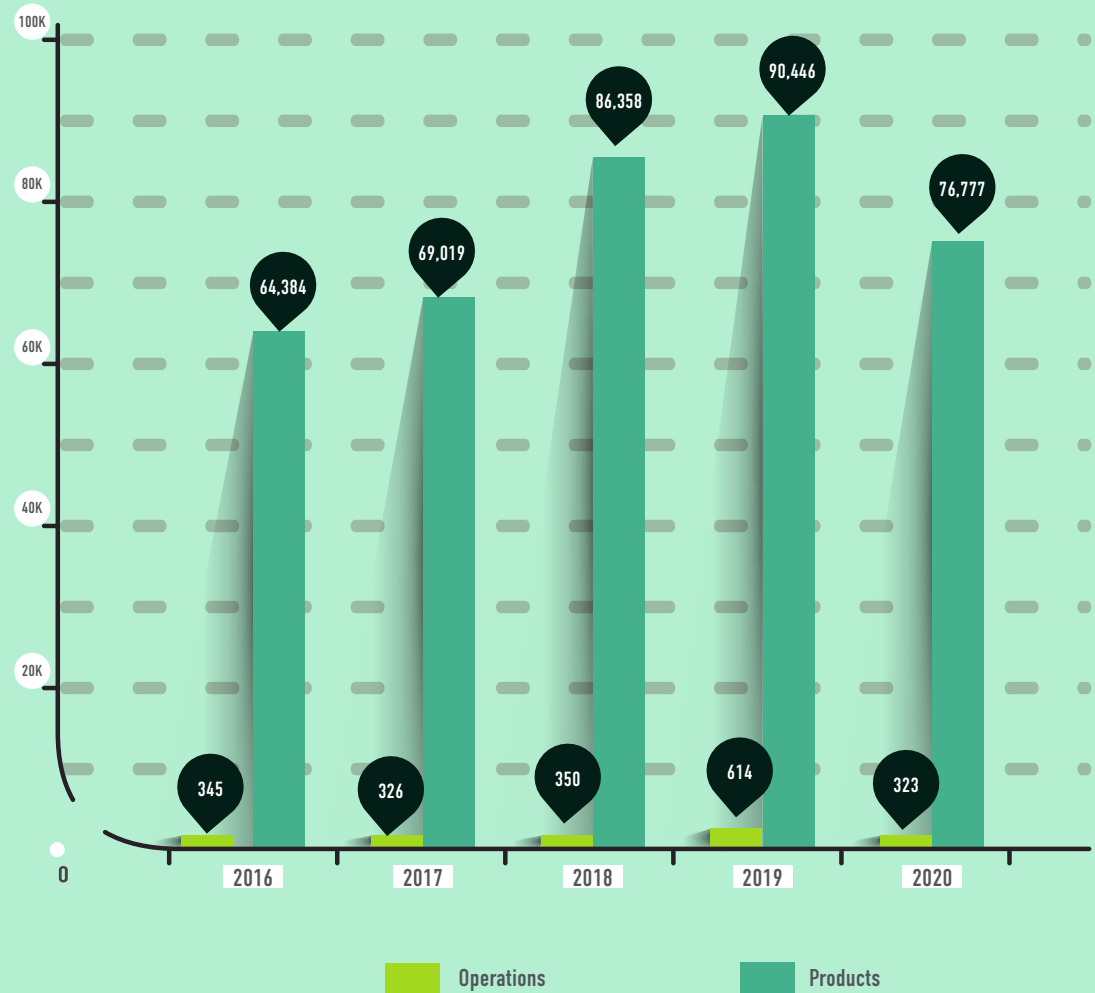
We continued to expand our Vanguard™ line of sugarcane products. We also pursued verification that the chemistry used in this new line is free of regrettable substitutes.

### Waste Diversion Rate

Our diversion rate was at 70% this year. We will continue to reduce, reuse, recycle, and compost at our office so we can get to our goal of 90%.



### Eco-Products Carbon Emissions (metric tons CO<sub>2</sub>E)



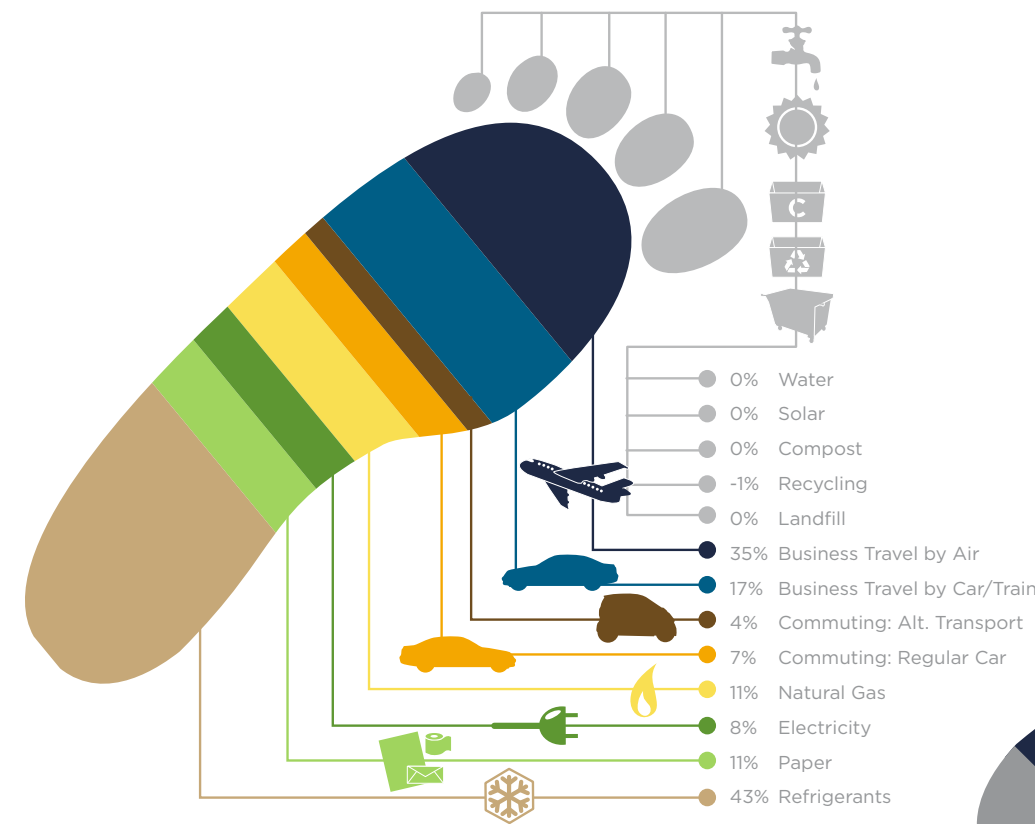
As you can see in this bar graph, our operations contribute very little to our overall carbon footprint. We made the footprint graphics on the opposite page equal in size so you can clearly read the data, but really our products are responsible for most of our carbon emissions by far. If the feet were to scale, it would look more this:

See this little green speck? That's our Operations footprint!



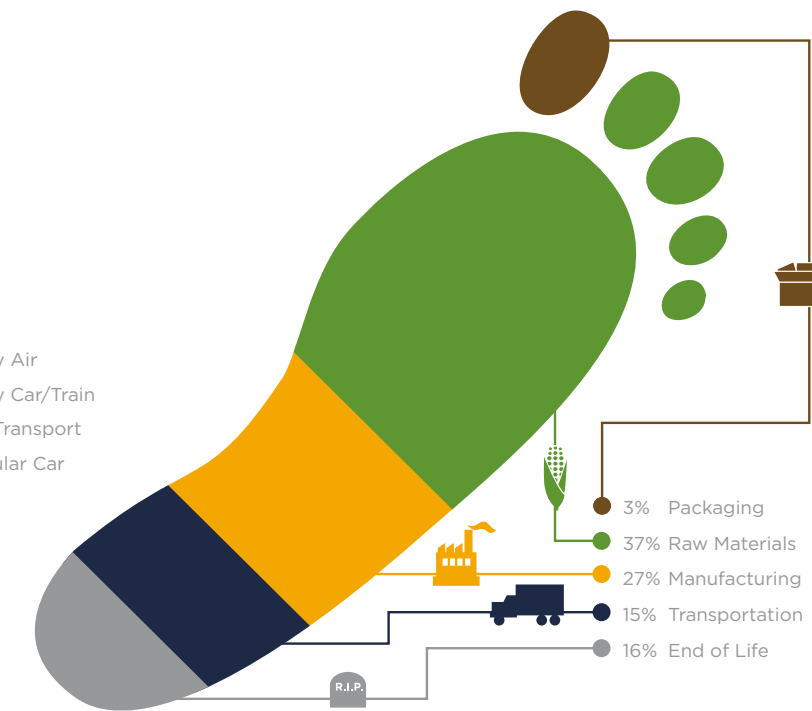
#### OUR OPERATIONS

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.





## LOOKING BEYOND: 2021 GOALS

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-minded company and team that we possibly can be.

We are constantly evolving and innovating, and we strive to improve our processes and have a greater impact each year. Our 2021 goals are an illustration of that commitment.

<sup>1</sup> Our National Account partners include multiple large foodservice management companies.

### ZERO WASTE INFRASTRUCTURE

Expand access to commercial composting across our markets.

#### In 2021 we will:

- » Evaluate the role of what Product Stewardship/ Extended Producer Responsibility considerations for compostable packaging could look like.
- » Increase familiarity with international commercial composting infrastructure in markets that are increasingly using compostable packaging.

#### 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 OPERATORS

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

#### In 2021 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.
- » Create an annual report for our National Account partners<sup>1</sup> on the waste diversion activity of their customers who are purchasing our items.

### OUR PRODUCTS & SUPPLY CHAIN

Encourage greater use of certified paper products by customers and enhance our other product certifications.

#### 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.
- » Implement a new process for sending sample products to customers that allows us to send single items as needed (rather than full sleeves).

#### 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.
- » Evaluate feasibility of achieving carbon neutrality for select product footprints.

#### By 2023 we will:

- » Ensure all of our Tier 1 manufacturing suppliers adhere to our highest standard of third-party factory certifications.

### OUR PEOPLE

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

#### In 2021 we will:

- » Not hold any interview process without including at least one candidate from an underrepresented group.
- » Analyze our job description language to ensure that it is inclusive and equitable.
- » Hold quarterly meetings of our newly formed Justice, Equity, Diversity, and Inclusion (JEDI) committee. This group will provide three JEDI focused lunch-and-learns.
- » 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.
- » Encourage the expansion of diverse composting and hauling operations.

#### Every year moving forward we will:

- » 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.
- » Have cross-functional and/or sustainability-focused employee activities/opportunities (such as lunch-and-learns or projects).

### OUR OPERATIONS

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

#### In 2021 we will:

- » Decrease our normalized carbon dioxide (CO<sub>2</sub>e) emissions from air travel and business car travel per \$1,000 in sales by 5% relative to 2019 travel.
- » Decrease paper use by 10% compared to 2019 levels.

#### Every year moving forward we will:

- » 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.



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