

SUSTAINABILITY REPORT



2022



MESSAGE FROM OUR CEO	2
INNOVATION & SUSTAINABILITY	4
COMPANY OVERVIEW	6
• Our Markets	10
• Providing a Full Solution with In Mold Label (IML) Containers	11
OUR FOCUS ON A CIRCULAR ECONOMY	12
2025 SUSTAINABILITY GOALS	14
GROWING AS A VALUED PARTNER	16
KEEPING OUR EXTENDED FAMILY SAFE AND ENGAGED	19
PROUD OF OUR ROOTS	25
PLANET FOR FUTURE GENERATIONS	28
LOOKING AHEAD	34



MESSAGE FROM OUR CEO

Last year, I commented on the true meaning of “It’s Our Nature to Protect™” as we navigated through the historic COVID-19 pandemic and managed to keep our stakeholders safe while reliably supplying our clients with high quality packaging and equipment for their essential products. Gradually, the impairment from COVID-19 subsided, while new challenges on a global scale emerged and took over our agenda: the tight supply of key raw materials; the abrupt and unprecedented price inflation of just about everything; and a shrinking workforce across all geographies. These challenges, on top of attempting to return to normalcy in our working conditions, have further strained an already degraded work-life balance which can’t be ignored. Time and energy are spent everyday within WINPAK addressing these challenges.

However, none of this ought to distract us from the underlying and widening socio-economic divide, the ever-greater resource depletion human activity is having on the planet, and the relentless impact from climate change. This never-ceasing environmental impact means we must remain highly focused on actions to meet our sustainability objectives. In fact, many of the pledges made by our clients, with a fast-approaching deadline in 2025, become increasingly difficult to reach as our attention is kept away from those KPIs by other externalities.

I am proud that the WINPAK organization, even with the challenges and distractions placed before us, stays focused on our business and sustainability journey and achieved very meaningful accomplishments. We spent time rethinking our vision and mission as a company to provide the best packaging solutions for people and planet. As such, we design, manufacture, and supply the most sustainable packaging solutions that reduce food waste, extend freshness, and promote health. We elevate customer brands with dedicated technical expertise, industry partnerships, and deep-rooted relationships. We challenge our diverse teams to innovate continuously in the service of our customers, each other, and our communities. We also set the stage for our Diversity, Equity, and Inclusion initiative and benchmarked our business units to develop action plans.



As evidenced by our CDP score, we're relentlessly pursuing our public commitment to reduce our environmental footprint, the largest impact coming through our customers adopting new forms of lower carbon, recyclable, or renewable packaging. We have successfully introduced our ReFresh™ suite of recycle-ready forming and non-forming films along with pouches, whether with zipper or with spouts/caps solutions. Our expansive product solutions are high performance and very often serve as drop-in replacements for legacy, non-recyclable films. Our "WISE" innovation eco-system is largely following the "Golden Design Rules" established through the Consumer Goods Forum turning to design for recyclability and circularity, e.g. selecting and introducing post-consumer recycled (PCR) content. As sources of food grade compliant PCR resins are emerging, WINPAK is collaborating with our supplier partners to develop sourcing arrangements and strategic alliances, understand the performance attributes of PCR content resins, and introduce them into our portfolio of products. WINPAK is also demonstrating its commitment to a Circular Economy and ensuring credibility in our sustainable products by achieving ISCC Plus certification at appropriate sites.

We are also well on our way in the commercial development of paper-based or food processing by-product starch to produce circular packages with the cooperation of third parties, research institutes, and clients. With these innovations, WINPAK strives for absolute lowest carbon footprint, if not carbon neutrality, along with bio-circularity.

WINPAK cannot grow, in terms of sales or in terms of our organizational learning, without external cooperation. Our colleagues at WIPAK provide insights into the European packaging sustainability landscape, an enriching alternative thinking, as well as distribution of labor to maximize the output of our research and development teams and production equipment engineering towards zero-waste production. Together with WIPAK, our Wiicare global healthcare organization is striving towards the commercialization of recycle-ready, but more pertinent in that market segment, low carbon medical device and pharmaceutical packaging solutions.

We are determined to stay the course laid out together with our Board of Directors and executed through the leadership of WINPAK's Executive Committee. WINPAK remains focused on accelerating the implementation of new technology and new designs into our products, deepening our cooperation with value stream partners to secure PCR content availability and recyclability of our products, broadening our involvement with new recycling technologies, eliminating waste and emissions, while becoming a more diverse, more inclusive WINPAK community.



Olivier Muggli
President & CEO
WINPAK LTD




INNOVATION & SUSTAINABILITY

First, I would like to thank all WINPAK team members, our customers and industry collaborators for their support advancing our sustainability efforts. We truly believe in collaboration and look forward to working with all partners in the coming years.

The packaging industry faced several new challenges in the last few years including raw material shortages and supply chain disruptions. In addition, the industry is also challenged to become more effective in protecting natural resources while providing the needed performance to protect essential food and healthcare products. At WINPAK, we continue to focus on our sustainability pillars - Valued Partner, Extended Family, Roots, and Planet. These pillars, along with our updated corporate vision and mission, guide our efforts. WINPAK's sustainability focus also aligns with the principles of the Circular Economy and embraces materials management through waste prevention and resource efficiency. Our sustainability pillars are building blocks for WINPAK, and we continue to embrace our call to action - "IT'S OUR NATURE TO PROTECT™".

Customers are at the center of everything we do, and they expect us to deliver innovative solutions to help them effectively fulfill their promise to create a sustainable future including a Circular Economy for their packaging and reduced environmental footprint. Therefore, we embrace innovation and customer collaboration to advance sustainability along the entire packaging value chain. Surely, our work to protect the environment and the resources we have been granted, while enabling superb product protection via innovative packaging solutions, will continue without interruption.



Through our innovation management platform, 25hundred Innovators, we are gaining speed, agility, and precision as we develop and commercialize products for our customers. We are motivated to expand our high-performance, low carbon footprint solutions, reducing material consumption or down-gauging, growing recycle-ready and recyclable solutions, and using renewable materials in our products. On post-consumer recycled (PCR) content packaging materials, we have announced that PureCycle Technologies, Inc. will be providing WINPAK with Ultra-Pure Recycled Polypropylene when their site comes online later this year. Similarly, we have partnerships in place to source PCR-based polyethylene into our products. These initiatives will further expand WINPAK's recyclable packaging solutions with incorporation of PCR content while also advancing a Circular Economy. As an ongoing commitment to reducing our impact on climate change, WINPAK continues to use a life-cycle approach to design and develop end-of-life scenarios for our products and services.

Our ReFresh™ sustainable packaging platform added several new product families including ReForm, ReLam, RePouch, ReTop, ReLid, and ReFlow with sustainability benefits such as low carbon footprint, recycle-ready or recyclable, and reduced weight versus traditional packaging substrates. These products will also incorporate PCR materials as we advance

our customer and industry collaborations. We have added several new solutions to our recyclable packaging portfolio including additional rigid polypropylene containers and fiber-based packaging to enable a broader selection for our clients. Our down-gauged packaging solutions are making significant inroads in multiple markets such as protein, dairy, and food. In addition, our packaging machinery business continues to provide equipment solutions for improved efficiency and reduced waste enabling better materials management at our customers' sites.

At WINPAK, we continue to seek opportunities to empower our teams through diversity and inclusion, enable creativity, and promote teamwork. We believe this is critical to advance our sustainability journey and create an agile team to support our growth initiatives. Our teams are excited and ready to provide meaningfully unique packaging solutions to our customers with increased environmental and economic benefits.

Thank you.



Mustafa Bilgen
Vice President,
Technology
& Innovations
WINPAK LTD.



COMPANY OVERVIEW

WINPAK is part of WIHURI International Oy, a Finnish corporation with global packaging entities, notably WIPAK, which has operations in Europe and Asia.

WINPAK operates 12 production facilities in Canada, the United States and Mexico, offering customers global coverage and expertise. The North American business units serve customers throughout the United States, Canada and Latin America primarily to provide packaging to protect perishable foods, beverages, healthcare, consumer, and industrial products.

WINPAK specializes in rigid and flexible barrier packaging as well as form-fill-and-seal machinery.



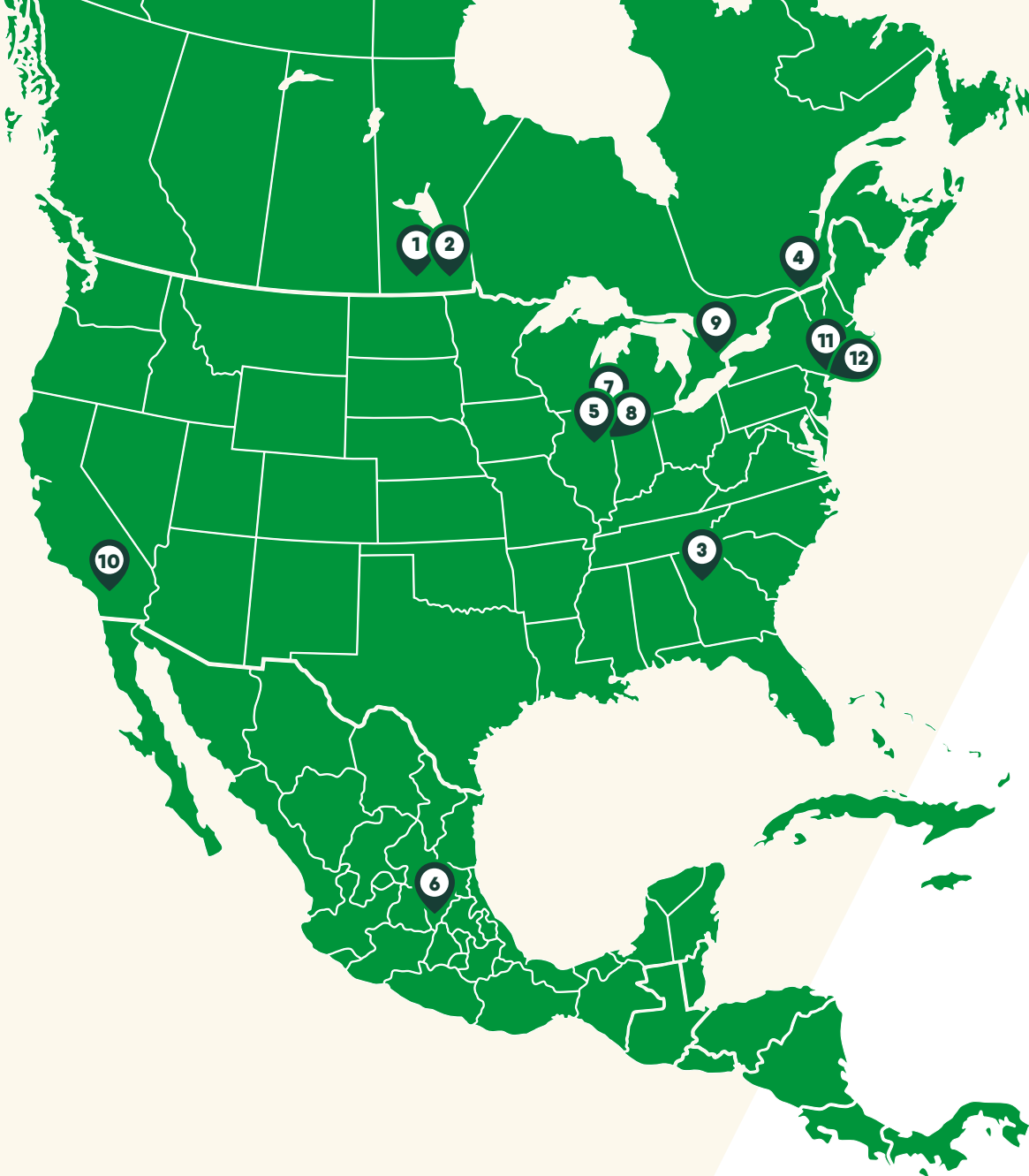
/// Rigid Packaging



/// Flexible Packaging



/// Packaging Equipment



WINPAK LOCATIONS AND BUSINESS UNITS

- | | | | |
|--|---|---|--|
| <p>1 WINPAK Division
Winnipeg, MB, Canada</p> | <p>2 American Bixis Inc.
Winnipeg, MB, Canada</p> | <p>3 WINPAK Films Inc.
Senoia, GA, USA</p> | <p>4 WINPAK Heat Seal Pkg, Inc.
Vaudreuil-Dorion, QC, Canada</p> |
| <p>5 WINPAK Heat Seal Corp.
Pekin, IL, USA</p> | <p>6 Embalajes WINPAK de Mexico
Querétaro, Mexico</p> | <p>7 WINPAK Portion Pkg.
South Chicago Heights, IL, USA</p> | <p>8 WINPAK Portion Pkg.
Sauk Village, IL, USA</p> |
| <p>9 WINPAK Portion Pkg.
Toronto, ON, Canada</p> | <p>10 WINPAK Lane Inc.
Rialto, CA, USA</p> | <p>11 WINPAK Control Group Inc. (1)
Norwood, NJ, USA</p> | <p>12 WINPAK Control Group Inc. (2)
Norwood, NJ, USA</p> |

MARKETS	FLEXIBLE PACKAGING	RIGID PACKAGING & FLEXIBLE LIDDING	PACKAGING MACHINES
Business Units <ul style="list-style-type: none"> Locations 	American Biaxis Inc. <ul style="list-style-type: none"> Winnipeg, Manitoba, CA WINPAK Control Group, Inc. <ul style="list-style-type: none"> Norwood, NJ, USA WINPAK Division <ul style="list-style-type: none"> Winnipeg, Manitoba, CA WINPAK Films Inc. <ul style="list-style-type: none"> Senoia, GA, USA WINPAK Heat Seal <ul style="list-style-type: none"> Vaudreuil-Dorion, Quebec, CA Pekin, IL, USA Embalajes WINPAK de Mexico <ul style="list-style-type: none"> Querétaro, Mexico 	WINPAK Heat Seal <ul style="list-style-type: none"> Vaudreuil-Dorion, Quebec, CA Pekin, IL, USA WINPAK Portion Packaging <ul style="list-style-type: none"> Sauk Village, IL, USA South Chicago Heights, IL, USA Toronto, Ontario, CA 	WINPAK Lane Inc. <ul style="list-style-type: none"> Rialto, CA, USA
Product Types	<ul style="list-style-type: none"> Barrier shrink bags Child resistant packaging Film-Foil-laminations Flexible packaging and wrap Paper-Foil-laminations Push-Thru-Foils Sachets Specialty film and rollstock Vacuum pouches Zipper stand-up pouches 	<ul style="list-style-type: none"> All plastic lids Cups Custom containers Foil lids Retort containers, lids Rigid plastic sheets Single-serve lidded containers Trays In-Mold Label (IML) Containers 	<ul style="list-style-type: none"> Packaging equipment (cups, pouches, vertical and horizontal form, fill/seal, complete packaging systems) Service, repair and parts
Share of Revenue	52%	45%	3%

At the end of the 2021 reporting period, WINPAK had **annual sales of \$1 billion** and **about 2,600 employees at 12 sites in three countries** (Canada, United States and Mexico). WINPAK's corporate headquarters is in Winnipeg, Manitoba, Canada.

WINPAK has majority ownership in American Biaxis Inc. (ABI), a joint venture with Sojitz Corporation, of Japan. ABI manufactures multi-layer biaxially oriented polyamide (BOPA) films for sale in North America.

OUR MARKETS



DAIRY

WINPAK is a leading supplier in the North American dairy market providing thermoformed containers, lidding, plastic sheeting, and high-grade flexible films to meet the stringent market requirements. WINPAK develops innovative, efficient, and ecologically sustainable packaging solutions that protect product quality, extend shelf life, and preserve freshness and aroma.



PROTEIN

Regardless of needs, WINPAK offers innovations that maximize shelf life and enhance food safety for applications like fresh meat, poultry, seafood and processed meats. These attributes are critical for protein markets not only due to economic reasons but to ensure the embedded resources used to grow, process, and deliver these products to consumers are not wasted.



FOOD & BEVERAGE

Consumers have ever-expanding tastes and an ongoing need for packaging that provides safety, quality, convenience, extended shelf life and now, such packaging also needs to be eco-friendly. WINPAK's comprehensive packaging options include rigid containers, flexible lidding, rollstock, and pouches. Many options offered are recyclable or are recycle-ready anticipating enhancements to the recycling infrastructure.



HEALTHCARE

WINPAK takes its commitment and obligation in the healthcare packaging space very seriously. Our dedicated team focused on medical and pharmaceutical products understands the rigorous requirements and high-quality manufacturing standards needed to ensure performance and reliability of our products. Our strengthened alliance with WIPAK and subsequent launch in 2021 of the new Wiicare® brand demonstrates our commitment to our global customer base.



PACKAGING MACHINERY

WINPAK offers a full line of horizontal fill/seal machines for preformed containers and vertical form/fill/seal pouch machines for pumpable liquid, semi-liquid, and dry products. Similar to the products for other markets we participate in, WINPAK machines provide economic and environmental benefits through efficiency, high throughput and extended uptime.



PROVIDING A FULL SOLUTION WITH IN MOLD LABEL (IML) CONTAINERS

WINPAK as a company looks to bring a 'total solutions' approach to the markets we serve when we believe we can add value. That was WINPAK's mindset when the company recently announced an investment to manufacture In Mold Label (IML) containers through the WINPAK Portion Packaging business unit. This investment, coupled with our die-cut lidding capabilities, makes WINPAK the only supplier that can deliver a complete package solution of IML container, IML overcap, and die-cut lid. Why did we make this investment and how might it support our business and the sustainability efforts of our customers?

There are several approaches brands may take when choosing packaging and decorating technologies. IML decorating has several advantages over direct offset printed containers. The first is print quality which is far superior to typical offset printed plastic containers. IML labels for plastic packaging can be printed in up to 8-color process print with custom varnishes and other special features. Special features range from specialty graphics such as metallics to functional properties such as light or oxygen barrier for extended shelf life.

Because the IML label is molded into the container or overcap, the label displaces some polypropylene (PP) resin that would normally be in an injection molded container or overcap. This point means light weighting

is possible. Further, the IML label is typically made with a PP film which provides improved strength in the container, and since the label resin is the same as the IML container resin, the entire package is recyclable. As a result, when using IML labels, the package designer can reduce the amount of resin in the side walls of the container because of the improved strength of the labels. Lower resin usage equates to source reduction which supports sustainability.

Another advantage for the IML approach is versatility. As one moves to different shapes or geometries such as square or rectangular containers, the cost of an offset printed container increases. In the IML space there are no difficulties in doing square or rectangular shapes. The costs vary based on the label design and the number of colors. Shape does not have a significant impact on cost for IML containers.

The above factors are just a few reasons WINPAK made this investment in IML capabilities. WINPAK believes the versatility of the technology and the print quality available means there are strong growth prospects ahead in the markets we serve. IML packaging can provide a combination of excellent print quality, good product performance including barrier properties (light & oxygen) and recyclability at a cost-effective price point.

OUR FOCUS ON A CIRCULAR ECONOMY

For several years, WINPAK has focused on the transition from a linear to Circular Economy. Consumers desire this trait in their packaged products whether it comes from recyclability, recycled content, or compostability. WINPAK believes progress is being made throughout the packaging value chain to bring the promise of a Circular Economy to reality. Certainly, steady progress is needed for brands and other companies in the packaging value chain to make good on established commitments. Evidence of this transition continues to grow as witnessed by the following examples:

1. Resin suppliers announce, commercialize, and deliver measurable quantities of post-consumer recycled (PCR) content plastic resins in 2021 with expanding quantities announced for 2022 and 2023
2. Mechanical recyclers and material recovery facilities (MRFs) continue investments to recover and recycle plastic, fiber, and metal products
3. PureCycle Technologies maintains path to bring ultra-pure recycled polypropylene to market in 2022 and announces further expansion in Augusta, GA
4. Brands and package converters announce commercialization of new packaging incorporating PCR content
5. Expansion of advanced recycling technologies and growing collaborations between resin and advanced recycling companies

At WINPAK, this transition means we challenge existing business models, we re-think innovation, and we consider new partnerships. Collaboration throughout the value chain is critical and important to understand both barriers and opportunities to a successful transition. To this point, WINPAK is an active member of several industry organizations collaborating to ensure a Circular Economy for packaging.

WINPAK is a founding member of the **Polypropylene Recycling Coalition**. This industry collaboration is investing in polypropylene (PP) recycling improvements for greater access and recovery of this critical packaging material. Since its launch in mid-2020, the Coalition has provided grants for 22 material recovery facility (MRF) projects which will add over 14,800MT of PP recovery capacity to the industry. These projects also improve access to PP recycling for an additional 7.6% of US households.

WINPAK participates in the **Chemistry Industry Association of Canada (CIAC)** as a member of its Plastics Division and in **PAC Global**. As a member of the **Sustainable Packaging Coalition (SPC)**, WINPAK contributes to the Flexible Packaging Recovery Collaborative supporting work to advance recycling of multi-material flexible

packaging. WINPAK, through its membership in SPC, also utilizes the **How2Recycle**® label program to pre-qualify numerous packaging formats to support our customers and improve consumer education related to proper end-of-life treatment for packaging. WINPAK is also a proud member of the **Association of Plastic Recyclers (APR)** and **Ameripen**. Both associations are strong advocates for plastics, recycling, and packaging overall. Our membership in these organizations helps us better understand opportunities to improve recycling through better package design and improve the understanding of the value of packaging through proper education.

Another key element to the transition to a Circular Economy is WINPAK's innovation efforts. WINPAK challenges its innovators to develop packaging solutions that reduce material use, incorporate post-consumer recycled (PCR) content, and/or do not end up in landfills. An example is WINPAK's line of innovations comprised of forming and non-forming films containing PCR PET content. Not only do these products help WINPAK de-couple material use from virgin fossil fuel resins, but they also reduce greenhouse gas (GHG) emissions while maintaining mechanical and optical properties similar to virgin materials.

Beyond these existing products containing PCR content, WINPAK recently completed the following further demonstrating its commitment to a Circular Economy.

- 1. Agreement with PureCycle Technologies (PCT)** - WINPAK announced in March 2022 an agreement with PCT to purchase Ultra-Pure Recycled (UPR) Polypropylene (PP) when production comes online in 4th quarter 2022. This collaboration will enable WINPAK to provide brands with circular solutions containing PCR polypropylene. Further, these innovations will help our customers and

WINPAK reduce impact on the climate as UPR PP reduces greenhouse gas (GHG) emissions by 35% vs virgin fossil-fuel derived PP.

- 2. International Sustainability and Carbon Certification (ISCC) PLUS Approval** - With the growth in advanced recycled resins coming to market over the next decade, WINPAK is positioning the company to utilize these resins in new packaging innovations creating recycled-content packaging and moving closer to a Circular Economy. To maintain credibility with retailers and consumers, certification of WINPAK's supply chain for recycled content resins is viewed as a prerequisite. Numerous resin suppliers WINPAK partners with had gained ISCC PLUS certification. WINPAK achieved certification for its operation based in Winnipeg, MB with plans to expand certification to additional sites.

Another important element to our Circular Economy commitment is demonstration through thought leadership of a willingness to take and defend a position supported by data and science. Over the past few years, WINPAK has developed and published, in collaboration with Circular Matters, three (3) separate white papers. These white papers focus on important topics relevant to a Circular Economy like recycle-ready flexible packaging, the need for chemical recycling, and the value of polypropylene as a packaging resin.

All actions and engagements noted are integral to WINPAK's Sustainability and business strategy. It is our intent through these actions to not only demonstrate a commitment to a Circular Economy but advance it to a more tangible outcome.

ASSOCIATION MEMBERSHIPS

MEMBER OF



CHEMISTRY INDUSTRY
ASSOCIATION OF CANADA
PLASTICS DIVISION

ASSOCIATION CANADIENNE DE
L'INDUSTRIE DE LA CHIMIE
DIVISION DES PLASTIQUES



2025 SUSTAINABILITY GOALS

We have four sustainability pillars which form the foundation for our Sustainability goals. Those pillars are shown below:



**Valued
Partner**



**Extended
Family**



Roots



Planet

OUR PROGRESS THROUGH 2021

GROWING AS A VALUED PARTNER

Customer Satisfaction
2025 Goal: > 90%
Status: 89%



Materials Management
2025 Goal: > 90%
Status: 5.4% improvement*



Sustainable Products
2025 Goal: 100%
Status: 40% improvement*



KEEPING OUR EXTENDED FAMILY SAFE AND ENGAGED

Health & Safety
2025 Goal: 0.0 TRIR
Status: 15.5% improvement*



Employee Retention
2025 Goal: > 90%
Status: 81.4%



Employee Engagement
2025 Goal: >90%
Status: TBD



PROUD OF OUR ROOTS

Code of Conduct
2025 Goal: 100% Compliance
Status: 100%



Responsible Supply Chain
2025 Goal: 100% Compliance
Status: 46% compliance



Corporate Transparency
2025 Goal: CDP** "A" List
Status: Achieved: B (2021)



PLANET FOR FUTURE GENERATIONS

Energy Intensity
2025 Goal: > 10% Reduction
Status: 7.1% Reduction*



GHG Emissions Intensity:
2025 Goal: > 10% Reduction
Status: 12% Reduction*



Landfill Waste
2025 Goal: 0.0 MT
Status: 11% Reduction*



* versus baseline year of 2017

** CDP = Carbon Disclosure Project



GROWING AS A VALUED PARTNER

WINPAK believes not only in building relationships that last but also in building relationships that bring value to our customers and suppliers. This commitment means WINPAK will bring innovations and services that reflect the needs of our customers and the markets they serve. This support is often to help WINPAK's customers achieve their own operational and sustainability goals. Some of the ways that WINPAK supports customers and adds value includes:

- Provide on-site technical support to ensure packaging solutions run properly and efficiently
- Provide insights and thought leadership through white papers, conference presentations, and direct customer interaction
- Perform life cycle analysis (LCA) and sustainability comparisons for packaging innovations
- Achieve How2Recycle® pre-qualification for select recycle-ready packaging films to shorten the qualification process and further support on package consumer education

Just as sustainability is a broad topic and may have different approaches based on industry expectations, WINPAK develops different sustainable innovations to meet varied market trends. Recently, WINPAK commercialized several new innovations highlighting not only our support for a Circular Economy but also this commitment to broad capabilities in product development.

REFORM & RELAM - PART OF WINPAK'S REFRESH™ RECYCLE READY PRODUCT LINE



High barrier films to extend shelf life



Excellent optics to ensure consumer appeal



Recycle-ready material composition



>30% GHG emissions reduction VS traditional structures



FLOW WRAP - ENHANCING SUSTAINABILITY IN GROUND PROTEIN PACKAGING



Excellent barrier properties to extend shelf life



Excellent mechanical and optical properties



Reduced packaging weight up to 60% vs traditional formats like PP tray lid



60% reduction in GHG emissions vs PP tray lid



Reduced inbound trucks and warehouse space by 80% vs traditional ground protein formats



DURASHRINK® FV flowvac - OFFERING EFFICIENCY BENEFITS FOR PACKAGING



Up to 25% material reduction vs traditional packaging



PVdC free shrink-packaging technology



High barrier material for extended shelf life



Increased output vs traditional shrink bag applications



Increased automation in process vs shrink bags



“Increasingly, our customers are challenging WINPAK to guide and assist them in the ongoing journey of developing more sustainable packaging solutions. In the dairy market, WINPAK’s cheese packaging customers are aggressively looking to convert their packaging to recycle-ready structures while maintaining key package performance characteristics like product protection and running efficiently on their existing packaging equipment.”

WINPAK’s expertise in materials and applications, as well as understanding the ever-changing regulatory landscape allows our customers to focus on what they do best - producing and packaging high quality cheese. This “partnership” is greatly appreciated by customers and is an important part of WINPAK’s value proposition”.



Darin Gregg
Market Director, Dairy
WINPAK



KEEPING OUR EXTENDED FAMILY SAFE AND ENGAGED

Employee health, safety, and engagement remain top priorities for WINPAK. Employees hold one another accountable and responsible for not only producing high quality packaging solutions but also ensuring each employee stays focused and safe while on site. With over 2,600 members, we value the unique and diverse skills each employee brings to work every day. We encourage a collaborative work environment where employees can be their authentic selves and bring out the best in each other. Promoting employee well-being goes hand in hand with ensuring safe working conditions. WINPAK takes this responsibility seriously.



ENSURING A SAFETY CULTURE

The Corporate Safety Committee continued its focus in 2021 on building a safety culture through effective training, standardized safety systems, and accountability.

Behavior-based safety training programs are important for WINPAK since most injuries are caused by momentary lapses in judgement. To this end, WINPAK has implemented a behavior-based safety approach called “Paired Safety Walks”. These safety walks pair a supervisor with an employee/direct report who walk around areas of the operation observing employees and noting actions and/or behaviors exhibited in conducting job duties that may impact safety - positively or negatively. These walks are intended to observe behaviors, then stop and discuss what is seen with the employee, and ensure any gaps identified have a corrective path. Additionally, positive behaviors are reinforced through recognition on the spot with the employee.

In 2021, a behavior-based training program was developed specifically for supervisors and team leaders. Proper training and modeling of appropriate safety behaviors is seen as critical to success. The training is mandatory for all supervisors (office and production) and consists of five half-day

sessions delivered by the safety manager in each business unit.

WINPAK also rolled out a standard safety audit process to be used by all WINPAK locations. The safety audit was developed using the Safe Work Manitoba processes which follow best practices for manufacturing. All sites will implement and use these improved safety audits by the end of 2022.

Hazard Analysis methodology was developed and implemented within each business unit (BU) to identify workplace hazards at respective BU sites. Using a critical list, hazards are identified. Risks are then assessed, prioritized, and corrective actions implemented. This effort is seen as ongoing.

It is important to an effective corporate culture that accountability occurs in each aspect of work responsibilities. Safety is no different. To that objective, an enhanced Performance Management Program has been developed and was rolled out in the first quarter of 2022. This updated program will require that safety objectives and measures are included into the specific plan for every supervisor to enhance accountability. Eventually, safety objectives to be met by each employee will be included with individual plans.



COVID-19 ONGOING IMPACTS

COVID-19 continued as one of WINPAK's biggest challenges in 2021. Navigating the various government health orders has been challenging for the health and safety managers across the business. The OSHA Emergency Temporary Standards (ETS) were proposed for vaccination, testing, and face covering mandates for businesses with over 100 employees. While the proposed guidelines were eventually withdrawn, WINPAK adopted several of the guidelines to better manage COVID-19 within our operations. These include restricting travel for essential business only, providing guidelines for working remotely, implementing protocols for the safe and effective return to work for employees who tested positive or required isolation due to contact with someone who tested positive, and promoting vaccination through information and training.

The lingering effects of stress and helplessness on employees and their families as they tried to manage COVID-19 has had a significant impact on their well-being and productivity. To this end, WINPAK is working to enhance employee wellness programs and services beginning with a relaunch of existing programs and services provided through our benefits providers such as Employee/Family Assistance Program (EFAP), telemedicine, and other wellness initiatives.

In addition, we will continue to track evidence of mental health stress and its impact on employee health through paramedical and drug claims utilization, work performance, culpable and nonculpable absenteeism, and productivity. Using this data, along with personal observation, WINPAK will take the necessary action to increase employee well-being.

“WINPAK’S ultimate safety goal is ‘No Injuries’. Customers, employees, and suppliers all hold stakes in what WINPAK does and how we do it - and that includes how we approach occupational health and safety.

It’s our responsibility and obligation to do everything possible to provide our people with the right tools, equipment, training, and processes to do their jobs safely. We want everyone who works for WINPAK to know they are valued as employees and people, and we want them to be safe as they perform their WINPAK responsibilities and to return home safely, every day.

Because of the nature of our operations, body injuries are our greatest workplace risks. We continue to invest in plant and machine safety, and in 2021, as part of our safety program we implemented several initiatives. We continued with the behavior-based prevention program as most of the accidents and incidents are behavior related. Supervisors and other key personnel were trained on Gemba Walks and Safety Contacts with operators. We launched weekly Health and Safety Capsule information which help to communicate to our employees important safety guidelines. Thanks to

these safety programs, we reduced the number of recordable accidents by 31% from 2020 levels at our Montreal site.

WINPAK recognizes that as much as we all want COVID-19 to be a ‘thing of the past’ we still must remain cognizant and diligent in our approaches. Our response to the COVID-19 pandemic illustrates our commitment to the health and safety of our employees. We have implemented rigorous protocols supported by precautionary measures in our manufacturing and office areas to help ensure the health and safety of our people. These measures have allowed us to safely continue running our manufacturing operations during the pandemic. WINPAK continues to monitor developments associated with COVID-19 and will do so as long as we see this virus as a threat to the health and safety of our extended family”.



Valentin Gonzalez
General Manager,
WINPAK Heat Seal Inc.

A DIVERSE AND ENGAGED WORKFORCE

Collaboration and insights from WINPAK’s diverse work culture drive safety, operations, innovation, and sustainability.

WINPAK recognizes the impact of its culture, community, and values on all its employees’ employment experience. WINPAK aims to cultivate an environment where everyone feels safe and confident bringing their whole selves to work. Through diversity, equity, and inclusion (DEI) implementation, employee differences are recognized and celebrated. It is WINPAK’s responsibility to celebrate these differences in ways that show every employee is welcomed and valued. Not only does DEI align with our business values, it is also our shared goal and provides for a stronger organization.

There are five main value propositions for implementing DEI practices at WINPAK:



Diverse organizations are more successful at recruiting top talent



Inclusive workplaces improve job satisfaction and retention



Valuing diverse talent maximizes productivity



Diverse teams are critical for innovation



Inclusion boosts company reputation

In the fall of 2021, WINPAK surveyed employees to gain their insights related to diversity, equity, and inclusion (DEI). The survey results identified that Winpak’s DEI commitment is an important topic and priority for many of our employees. Participants requested WINPAK to focus on its dedication to DEI and on actions demonstrating a commitment to DEI, including increasing our diverse representation and enhancing our workplace culture. Survey participants also identified the importance of providing an inclusive community where all team members feel valued at work.

The survey results have been used to develop a 3-year DEI strategy. The objectives outlined in the strategy will direct organizational, cultural, and process change as WINPAK pursues a path to position us as a leader in the packaging and equipment innovation, manufacturing, and distribution industry. This goal requires not only a strong business plan but a forward-thinking human resources approach. As this DEI plan evolves, the strategy will remain flexible and adaptable. Feedback will be an essential element of the successful implementation and execution of the strategy, and WINPAK’s ongoing success will be dependent on the success of the outcomes from our DEI strategy.

3-YEAR DIVERSITY, EQUITY, AND INCLUSION STRATEGIC PLAN

FOCUS AREAS	SHORT-TERM GOALS	MEDIUM-TERM GOALS	LONG-TERM GOALS
Commitment To DEI	<p>Internal Communication Strategy</p> <ul style="list-style-type: none"> Leverage 2021 values <p>Communicating expectations of inclusion and respect</p> <ul style="list-style-type: none"> Communicate Survey Results Share Strategy and Roadmap actions DEI Commitment Statement Create an intranet page for DEI Champion Framework Establish DEI Committee Create a DEI Events Calendar 	<p>External Communication Strategy</p> <ul style="list-style-type: none"> Create dedicated DEI webpage Create key messaging for leadership Review and update recruitment branding <p>Expand DEI Champion Framework</p> <ul style="list-style-type: none"> Establish Employee Resource Groups (ERG) Create ERG Guidelines 	<p>External Communication Strategy</p> <ul style="list-style-type: none"> Update DEI webpage with current activities Maintain diverse representation on imaging
Inclusive Infrastructure	<p>Equity Policy and Process Review</p> <ul style="list-style-type: none"> Create inclusive hiring process DEI policy Flexible Work Arrangement policy Review harassment, discrimination, violence policy and processes 	<p>Equity Policy and Process Review</p> <ul style="list-style-type: none"> Review employment life cycle policies, procedure and practices for inclusion 	<p>Equity Policy and Process Review</p> <ul style="list-style-type: none"> Accessibility and/or Accommodation Continue to review policies, procedure and practices for inclusion Review benefits for Trans inclusion Workplace Transition Guidelines
Develop DEI Knowledge	<p>Develop Tiered Training Strategy Program</p> <ul style="list-style-type: none"> DEI Leadership Training HR & People Leaders training on harassment, discrimination, violence 	<p>Develop Tiered Training Strategy Program</p> <ul style="list-style-type: none"> DEI Firm-Wide Development Expectations of WINPAK values Inclusive hiring training 	<p>Learning Journey Support</p> <ul style="list-style-type: none"> DEI short messages Awareness Campaigns
Increase Diverse Representation	<p>Talent Attraction Strategy</p> <ul style="list-style-type: none"> Review Candidate Sourcing Material Establish and communicate diverse recruitment goals 	<p>Talent Attraction Strategy</p> <ul style="list-style-type: none"> Expand on Candidate Sourcing Methods Implement best-practice hiring standards 	<p>Talent Attraction Strategy</p> <ul style="list-style-type: none"> Leadership Development Program Succession Planning
Outreach and Social Responsibility			<ul style="list-style-type: none"> Embed DEI into Sustainability program Implement Supplier Diversity Community DEI Programs Philanthropic Engagements Diversity Awards
Measure DEI Progress	<ul style="list-style-type: none"> Track and communicate DEI activities and successes 	<p>Develop Scorecard</p> <ul style="list-style-type: none"> Measure and communicate DEI progress 	<ul style="list-style-type: none"> Measure and communicate DEI progress (scorecard)



PROUD OF OUR ROOTS

WINPAK has much to be proud of as a company. WINPAK was founded over 40 years ago and has been built on integrity, excellence, and respect for people and human rights.

WINPAK's culture is one of continuous improvement. With that focus in mind, leadership looked to review and update our vision, mission, and values in 2021. WINPAK's new statements shape how the company approaches new opportunities, embraces future challenges, and provides a beacon to guide organizational behavior. The refreshed vision, mission, and values are great reminders to our stakeholders of WINPAK's commitment to continually evolve with a more robust purpose and also, instill a sense of pride to be part of the WINPAK family.

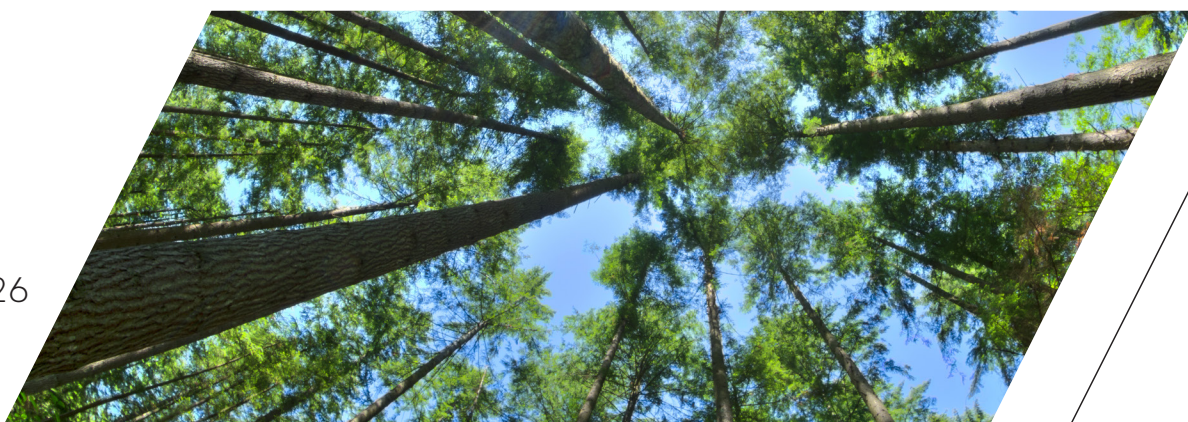
WINPAK has a strong business Code of Conduct as well. As part of a new employee's onboarding process, the Code of Conduct will be reviewed and expectations regarding the importance of following its tenets will be discussed. WINPAK's Code of Conduct can be accessed at www.winpak.com/code-of-business-conduct





WINPAK is committed to corporate transparency and a responsible supply chain. Today, it is no longer acceptable to only look inward and ensure your own company is doing the right thing. Our stakeholders expect WINPAK to understand its supply chain, any risks associated with the supply chain, and how our suppliers perform in areas like safety, labor relations, work conditions, environmental impacts, and more. Supply chains today are complex and understanding our supply chain enables WINPAK to manage risks as well as make positive social and environmental impacts.

WINPAK has chosen to partner with SEDEX to provide us with solutions and insights to manage supply chain risks and ensure an ethical supply chain. WINPAK externally announced in 2020 a goal to achieve a 100% responsible supply chain by 2025. In 2021, WINPAK's procurement team moved in earnest with suppliers explaining what we were trying to accomplish, how we can engage together in this journey, and the value for our organizations in collaboration. As we closed out 2021, WINPAK is happy to report that 46% of our direct supplier spend had satisfied our requirements for a responsible supply chain.



“The Code of Business Conduct explains what is expected of each one of us, so that we may earn and maintain the confidence, respect, and trust of all we may encounter throughout life’s journey. This is what the Code of Business Conduct means to me... It means we have a responsibility to lead by example and ensure all our actions and decisions are based on honesty and integrity while continuing to deliver on our commitment to innovation and inclusion. It means that how we conduct our business is as important as our results.

Through safety, integrity, resourcefulness, sustainability, innovation, respect, and inclusion, topped with passion, honesty, and accountability, we have created a vibrant and ethical culture. These values and our Code of Business Conduct guide our behaviors and help us make the right choices daily in both our personal and professional lives. This is what the Code of Business Conduct means to me...

Integrity is one that stands out for me... Integrity can mean many things...

*Just to list a few concepts of Integrity; It means holding firm to our principles again both personal and professional. It means behaving honorably and with honesty daily in all that we do. Integrity means we are held accountable for the decisions we make and how we conduct ourselves. Our commitment to our employees requires that we **Lead By Example.***

Our success relies on the Value of our business, the Integrity of our people and the Strength of our reputation. Strong personal and professional relationships with our customers and our business partners are critical to that success.

The Code sets the foundation for how we navigate the specific decisions required to do our jobs day in and day out. Not only does the Code cover the policies and ethical conduct that guide our work life at WINPAK, but it also illustrates how to make the great decisions that are so integral to the trust and confidence we earn from our employees, and the shareholders of our company.

Every business, division, and department within WINPAK is covered by the Code!”



Annmarie Ball
Manager, Human Resources
WINPAK Lane Inc. & WINPAK Heat Seal Corp.



PLANET FOR FUTURE GENERATIONS

“IT’S OUR NATURE TO PROTECT™” embodies WINPAK’s commitment to being a good steward of the resources afforded to us. Whether it is the raw materials used to create our packaging innovations; the energy used to power our processing equipment; or the fuel used to deliver products to our customers, it is imperative to treat each as a finite resource. WINPAK understands the choices we make and the activities we pursue impact people and the planet. That is why we utilize Sustainable Materials Management in our innovation and operational processes. And we incorporate sustainability considerations every day like sourcing lower greenhouse gas emission (GHG) feedstocks, minimizing overall packaging weight, recycling process scrap, and maximizing operations with low emission energy sources.

WINPAK believes everyone in the organization shares the responsibility to protect the environment and minimize our climate impact. Each site evaluates its own circumstances, using data to understand its primary sources of fuel consumption or the sources of its waste, and develops programs and actions to achieve improvement targets. Teams have also been established to focus on energy usage and landfill waste. Each WINPAK site is invited to have a representative participate on these teams. In addition to supporting the achievement of the company’s energy and landfill waste goals, the primary responsibilities for these teams are:

- Discuss individual site challenges to achievement of established goals
- Share ideas and best practices
- Discuss best company or external resources to address performance gaps
- Collect and input monthly data for energy intensity and landfill waste goals



REDUCING ENERGY USE

Energy usage at WINPAK is critical to achieving our business strategy. As an innovator and manufacturer of essential packaging for food and healthcare products, energy is required to convert raw materials into saleable and useful products. For multiple reasons, energy efficiency is important. Through WINPAK's Energy Management Program (EMP) and the corporate energy team, sites continue to push themselves to improve year-over-year. Examples can be found throughout the corporation.

At our WINPAK Heat Seal site in Vaudreuil-Dorion, the team completed several projects expected to either reduce energy consumption or improve efficiency.

WINPAK HEAT SEAL PKG, INC. VAUDREUIL-DORION, QC, CANADA

- Performed energy audit to evaluate for, locate, and fix compressed air leaks
- Installed new dryer equipment utilizing a 'cooled' thermal mass that reduces the time the compressor runs by 80% thus, saving energy
- As a maintenance project, the media in an oxidizer was replaced with an upgraded, more energy efficient version

It was noted earlier that WINPAK operations strive to reduce operational waste. American Biaxial Inc. (ABI), our joint venture with Sojitz Corporation, understands the importance of both higher utilization rates and reduced scrap rates. Given the nature of ABI's operations, when production lines are down, they are usually generating scrap. This means they are still consuming energy but not producing saleable product. Additionally, in order to re-use the scrap, energy is consumed turning the film into usable pellets. ABI has developed its plan to both improve uptime and reduce waste over the next several years. If successful, the plan will yield a 3% reduction in energy intensity and will reduce operational waste by over 10%.





At WINPAK Portion Packaging sites (Sauk Village, IL, South Chicago Heights, IL, Toronto, ON), site managers, engineers, and production employees worked together to identify and implement numerous projects in 2021. Even with output up significantly versus last year, these energy efficiency and conservation projects helped the Portion Packaging sites reduce their energy intensity.

Our flagship site in Winnipeg, WINPAK Division (WD), is well aware of the importance of energy efficiency. The genesis of WINPAK's EMP is here in Winnipeg, and the operations prides itself in brainstorming new projects each year. Last year was no different, and WD implemented several projects around energy reduction and efficiency.

**WINPAK PORTION PKG SITES,
SAUK VILLAGE, IL, USA
SOUTH CHICAGO HEIGHTS, IL, USA
TORONTO, ON, CA**

- Conducted compressed air leak audits and repaired discovered leaks
- Where appropriate, plant air pressure was reduced
- Thermostats installed on heating and cooling controls at one site to improve temperature regulation and reduce energy consumption
- Sites reviewed procedures for idle equipment and installed auto shutdowns where appropriate
- Vacuum pump upgrades made to improve efficiency and reduce energy load
- Compressor replacement occurred at one site; new compressor has improved controls and will improve energy efficiency while in use

WINPAK DIVISION - WINNIPEG, MB, CA

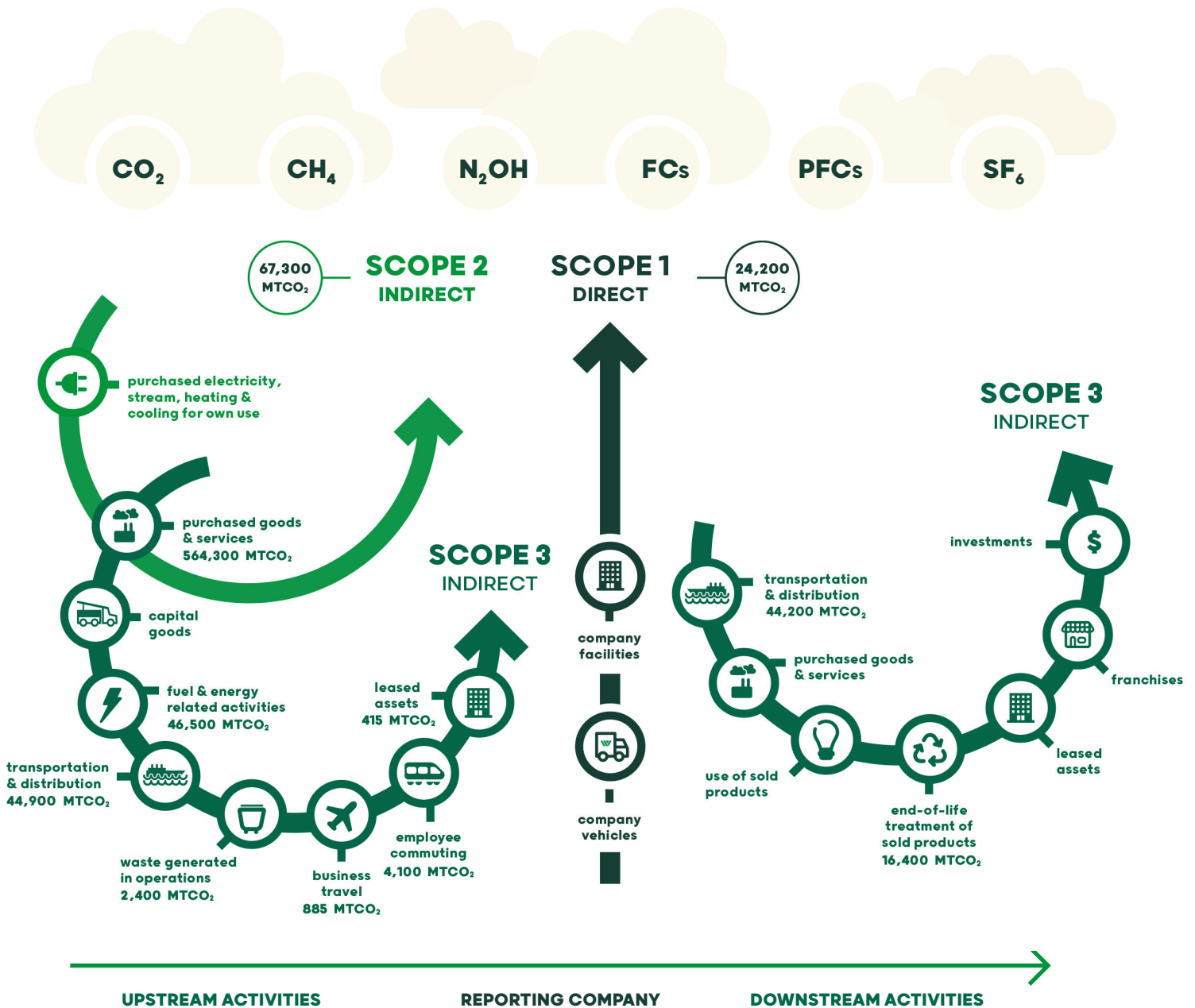
- LED lighting was installed in the blown film area which is more efficient and lasts longer than conventional lighting. WD calculates this new lighting will reduce electricity consumption by more than 100,000 kWh annually
- High amounts of heat are generated and then lost on our production equipment - extruders, feed block assemblies, etc. Proper insulation can reduce the level of escaped heat and reduce energy demands. Installing insulation jackets on a critical line is estimated to save WD almost 200,000 kWh annually in electricity consumption
- When shipping and receiving doors are opened at any time of year, either heat or air-conditioned air escapes. Air curtains create a wall of air that reduces this escape. Reducing this loss, helps WD conserve both electricity (cooling) and natural gas (heating). The savings are calculated at >71,000 kWh and >101,000 Nm³, respectively

ADDRESSING GREENHOUSE GAS (GHG) EMISSIONS

As part of our commitment to corporate transparency, WINPAK completes the Carbon Disclosure Project (CDP survey each year. Stakeholders today have high expectations for transparency. They want to see that WINPAK understands its major GHG emissions contributors and that it is aware of the risks and opportunities it faces due to climate change. Through the CDP survey, stakeholders are also able to see the actions we are taking to reduce our emissions, how

we mitigate the risks of climate change, and the results of these efforts. WINPAK achieved a score of B in our 2021 CDP submission.

Our emissions are grouped according to the GHG Protocol. The protocol frames a business' GHG emissions according to three scopes of activities, as shown in the figure below. At WINPAK, our GHG emissions intensity goal is established for Scopes 1, 2, and 3. Please go to www.cdp.net to learn more about CDP and view WINPAK's latest report.



STRIVING FOR ZERO LANDFILL WASTE

WINPAK is committed to its target of zero waste to landfill by 2025. In 2021, WINPAK achieved its lowest waste-to-landfill volume since it began measuring this data in 2017. As a manufacturer of rigid and flexible plastic packaging, WINPAK faces numerous challenges with its waste streams on its journey to zero landfill waste. In the past, WINPAK addressed those challenges by collaborating with our waste handling partners in auditing our waste streams. These audits allow us to identify waste materials that can be kept out of landfill through recycling or other means. Further, ideas are solicited at each site for ways in which landfill waste can be reduced. This action has led to the implementation of the following steps to reduce landfill waste.

- Recycle film cores internally
- Recycle all corrugate
- Reduce paper usage by digitizing order entry and fulfillment processes
- Partner with companies to collect and recycle used solvent
- Expand WINPAK’s reach to more plastics recycling companies to handle ‘hard to recycle’ plastic films

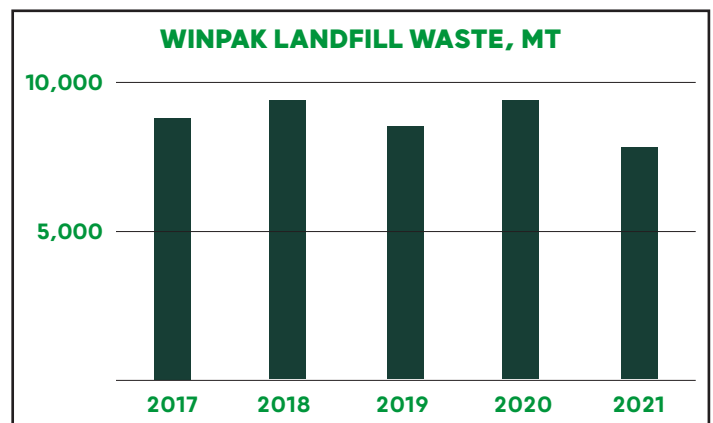
WINPAK is pleased that its Toronto site achieved zero waste to landfill for the 2nd consecutive year. Additionally, sites in Winnipeg, MB (American Bixaxis Inc.), Pekin, IL, South Chicago Heights, IL, Sauk Village, IL, Rialto, CA, and Queretaro, Mexico are all below 100MT in landfill waste. Beyond these achievements, two (2) sites made aggressive strides in 2021 to reduce their

waste-to-landfill footprint. Our Senoia, GA site cut its landfill waste by 38% while Winnipeg, MB (Winpak Division) trimmed its landfill waste by 28%.

As a further commitment to keeping plastic waste out of the environment, WINPAK also supports Operation Clean Sweep® (OCS). This initiative has been in effect for over 25 years. Its focus is to help every plastic resin handling operation achieve zero plastic resin loss. As a member of CIAC’s Plastics Division, WINPAK is proud to support this initiative. In 2021, our four (4) Canadian sites took the following actions in support of OCS.

- Conducted site audits to assess the current situation and identify gaps
- Discuss needed upgrades or procedure changes
- Develop and implement new procedures, training, and assignments
- Audit sites quarterly to ensure compliance

WINPAK is further expanding OCS within the organization with our sites in the United States and Mexico considering implementation of the program where appropriate.



“Extrusion and thermoforming are resource intensive processes requiring large amounts of electricity, compressed air and vacuum, and process cooling in the form of water. The newest technologies provide great opportunities to improve manufacturing efficiencies and reduce consumption of these resources. Technology upgrades implemented in both new and existing production equipment include advanced motor and temperature control systems that reduce electricity consumption. The use of best-practice maintenance programs on air and water systems also improves efficiency, further reducing power consumption and conserving water. With almost one million square feet of facility space spread across three separate plants, upgrades to lighting and HVAC systems have also been implemented to reduce energy consumption. Put together as a comprehensive sustainability program, these efforts give WINPAK Portion Packaging’s management teams the ability to reduce and minimize its operational impact on the environment while continuing to produce high quality packaging in an efficient and sustainable way.

While being mindful of the need for efficiency, a potential impact of WINPAK’s operations is resin pellets or other forms of plastic ending up in the environment. Pellets are normally the highest risk to harm the environment. Pellets in the environment typically are the result of spills

or leakage during bulk material transfers from transport tankers to storage silos. WINPAK Portion Packaging has made the organizational commitment at all three manufacturing facilities to eliminate these resin spills by participating in Operation Clean Sweep® (OCS). With the goal of helping every plastic resin handling operation achieve zero plastic resin loss, this program provides the structure to audit current material handling practices, identify sources of resin spills, and implement best practices and processes to eliminate these spills into the environment”.



Gary Tsao
Director, Manufacturing
WINPAK Portion Packaging Inc.



LOOKING AHEAD

Although this is our “Looking Ahead” section, it is worth noting some key achievements for 2021. WINPAK eclipsed \$1 billion in sales revenue for the first time in its history. Given supply chain challenges and other distractions that continued as part of our recovery from the pandemic, achieving this benchmark served as a reminder of the resiliency of WINPAK employees and their focus on product quality and customer service. From a sustainability standpoint, positive advancement was made in critical areas of environmental, social, and governance targets that WINPAK has established. WINPAK continues to improve its operational efficiency by employing Sustainable Materials Management and Lean Principles. Although WINPAK did not achieve its ongoing goal of zero injuries, it did reduce its incident rate once again, signifying its ongoing culture shift. Our journey to ensure a Responsible Supply Chain got off to a robust start in 2021 with almost 50% of our direct supply spend being certified through our process. And, as we strive to reduce our impact on the environment, metrics under our “Planet” pillar for energy intensity, GHG emissions intensity, and landfill waste all achieved their lowest levels since WINPAK started collecting this data.

Even with these strong accomplishments, WINPAK and its employees are not resting from the pursuit of our 2025 Sustainability Goals. We recognize it is time to seize the momentum we have and use it to propel WINPAK and the industry forward. First and foremost, we will remain focused on employee safety and continue pursuing zero injuries through education, training, and accountability. We will strive within our operations to not only reduce energy and emissions intensity but push towards absolute reductions. We will also continue our innovation paths to develop sustainable product platforms in which our packaging solutions are recyclable, contain PCR content, are from renewable content, or are compostable. These are both interesting and exciting times at WINPAK. Challenges, for sure, lie ahead for the organization, but WINPAK will continue to pursue its pledge of “IT’S OUR NATURE TO PROTECT™” with passion and zeal.



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