



Clysar[®]

2022 Corporate Responsibility Report

**Full Circle
Sustainability**



Our commitment to operating sustainably is centered in Clysar vision and values:

PEOPLE - the well-being of all our stakeholders



PURPOSE - the good we will help achieve as a leader in sustainable shrink packaging



PERFORMANCE - measurable progress in the sustainability of our products, our energy use and carbon footprint, and economic performance in the marketplace



A Message from Our President

Welcome to Our Inaugural Corporate Responsibility Report

At Clysar, being a responsible company is more than making sustainable shrink films to meet the market need. It's about being an ethical manufacturer focused on what's good for our employees, our customers, our stakeholders and our global community.



Vicki A. Larson
President

In a world where the definition of good plastic is hazy, Clysar is committed to providing real solutions to packaging challenges. We are seeking ways to educate customers and communities as we maneuver through changing environmental dynamics. We are committed to tangible programs and results-oriented initiatives that demonstrate our leadership as a responsible manufacturer.

We're proud to be a Midwest company built on a foundation of honesty and integrity. We bring these values with us as we continue to build relationships with our customers and industry partners in ways that deliver trustworthy answers to challenging questions.

Our Vision: A Leader in Sustainable Shrink Packaging

Clysar has much to bring to the table—and much to accomplish—as we move toward a circular plastics economy.

We lead from a position of strength. We focus solely on non-toxic polyolefin shrink film, one of the healthier packaging materials, offering light weight, high levels of protection and a low package-to-product ratio.

Reduce
the amount
of plastic
we use



Reinvent
packaging
materials
and solutions



We've combined the competency born of 50+ years in shrink packaging with unique manufacturing capabilities: spurring innovation in recyclable films (prequalified by **How2Recycle®** for Store Drop-Off; recycled-content films containing SCS Global Services certified pre-consumer resins) and right-gauged shrink films.

We are challenging ourselves to think full circle through the packaging life cycle. Together with our independent distributors, we offer comprehensive solutions that eliminate waste, lower energy use and deliver systemic value for end-users. Leveraging our substantive packaging application and technical expertise, we are helping customers achieve more with fewer resources.

Our Commitment: Responsible Manufacturing & Supply

Our stakeholders expect more than sustainable products: they demand a high level of responsibility in how we operate, especially those evaluating upstream supplier performance.

In 2021, we began more methodically measuring and managing our manufacturing impacts. For the first time, we have reported our Scope 1 and 2 emissions, and we are incorporating a formal Energy Management System to make actionable and informed decisions on resource use.

We are also assuring the stability and agility of our operational performance through disciplined improvements. We strive to be an employer of choice, and invest in our people's training, safety and well-being. A long-time part of our Clinton, Iowa, community, Clysar and our employees are engaged in many forms of volunteerism and giving back.

In the past 24 months, I am particularly proud of how our employees stepped up to keep commitments to our customers, and operate safely, despite the challenges of the pandemic and supply uncertainties. Our people remain a fundamental differentiator as we navigate the risks and opportunity of a volatile marketplace.

Our Path Forward: Collaboration & Education

Transformative collaboration is a common theme in the sustainability community. In the last year, we've significantly deepened our focus on forging partnerships, certifying material streams, deepening relationships and educating our stakeholders.

We have dramatically increased our participation in leading environmental, packaging, recycling and other organizations. We are investing in sustainability training and tools, and are building on new sustainability roles with teams focused on positive environmental impacts. We're holding important conversations, engaging with a wide range of stakeholders from customers to material scientists to recycling experts.

Finally, we are committed to gaining and sharing knowledge, knowing that today's overload of misinformation calls for educational leadership in the sustainable shrink packaging space.

Step by step, we are making progress. We are proud to report the work we have done. We invite you to join us as we seek and find solutions that make us all more sustainable and successful.

Vicki

“ Our vision is to make business and brands more sustainable and successful through market-leading solutions in sustainable shrink packaging. ”



Our Company at a Glance



50+ years in the shrink film business



Provides the industry's most extensive and complete portfolio of shrink packaging solutions



The only packaging manufacturer 100% focused on polyolefin shrink films



Serves packagers of all sizes, from leading consumer brands to small business



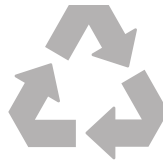
100% U.S.-manufactured, with 100% North American-supplied resin, production and packaging materials



300+ full-time employees



Intertek-certified to the FSSC 22000 and ISO 9001:2015 standards



Sustainable products include recyclable shrink films*, films with certified pre-consumer recycled content and strong, lightweight, right-gauging films.



Customer care teams include packaging innovation & development, industry-leading 24/7 technical service, commercial sales with application/industry expertise and sustainability.



Midwest-based, privately owned



Serviced through strategic independent packaging distributors across North America



Provides end-to-end support through partnerships with shrink equipment manufacturers, film printers, automation specialists and other expert resources

*Prequalified by How2Recycle® for the Store Drop-Off label

Our Sustainability Milestones

Highlights on the Road to Sustainable Leadership

1995

Instituted a rigorous internal reclaim process that now captures and reprocesses 100% of our industrial waste.

2002

Established Maintenance Excellence Program focused on campus improvement.

2005

Established PACE™—a LEAN evaluation that helps customers operate more sustainably by reducing waste, energy use and cost in their shrink packaging operations.

2008

Introduced LE Gold, a low-energy shrink film that allowed brand owners to eliminate the use of toxic PVC films.

2010

Launched Lowest Total Cost (LTC) thin film, a lightweight option that uses less packaging material.

2012

Created pilot customer recycling program to reuse industrial packaging such as recyclable roll cores and end caps.

2013

Clysar was acquired by Cove Point Portfolio Holdings and continues the strong 60-year tradition started with DuPont of manufacturing high-performance polyolefin shrink films.

2016

Began a wellness investment program for employees, supporting their physical and emotional well-being.

2018

Established *Clysar Unite: "People, Purpose, Performance"*—the corporate vision that outlines our commitment to empower people, execute through our values and deliver improvements.

2019

Became members of the Sustainable Packaging Coalition. Began formulating customer-centered sustainability strategies.

2020

Launched recyclable Clysar® EVO™ shrink films, prequalified for Store Drop-Off through the **How2Recycle®** program.

2021

Invested in Life Cycle Analysis capabilities to help customers evaluate and compare packaging impacts.

Conducted enterprise-wide S-LoCT training to measure, report and establish goals for Scope 1, 2 and 3 emissions.

2022

Began strategic Energy Management Program.

Pioneered the next generation: Clysar® Ultra LEG™ low-energy film with a lower carbon production footprint and prequalified for Store Drop-Off through the **How2Recycle®** program.



Joined the Association of Plastic Recyclers, tapping information, advocacy and insights as we participate in the circular economy.






Reduced internal waste streams (such as eliminating single-use plastic items) and encouraged individual employee stewardship in recycling and conservation.

Received certification for Pre-Consumer Resins through SCS Global Services; opening the door for shrink films with certified recycled content.

Clysar Sustainability Commitments and Strategy

This matrix illustrates Clysar's commitments, strategies and recent actions. It also demonstrates how our focus aligns with the United Nations 2030 Agenda for Sustainable Development: Sustainable Development Goals (SDGs).

Our Commitment	Our Strategies/Focus	Our Actions to Date	Related United Nations SDGs
Minimize the Impact of Our Shrink Films	Develop "better plastic" films designed for the circular economy: <ul style="list-style-type: none"> • Recyclable films • Films with recycled content • High-performance, low-impact polyolefins 	<ul style="list-style-type: none"> • Introduced Clysar® LEG™ and Clysar® EVO™ family of recyclable films (prequalified by How2Recycle® for Store Drop-Off) • Achieved certification of Clysar® pre-consumer recycled material by SCS Global Services, allowing many Clysar® films to incorporate pre-consumer resin 	SDG 12 - Responsible Consumption and Production 
Assist Customers in Meeting Sustainability Goals	<ul style="list-style-type: none"> • Work with brand owners, distributors and retailers to identify sustainability goals • Collaborate with distributors to drive end-to-end solutions for individual applications • Deliver sourcing verification through third-party certifications • Address customer sustainability business/cost impacts 	<ul style="list-style-type: none"> • Established Sustainability Manager and sales team as point for brand owners • Identified customers' sustainability goals/commitments • Met substantive goals of brand owner sustainability projects using Clysar® films • Invested in third-party certifications and validations for supply transparency • Invested in packaging Life Cycle Analysis capabilities to help customers evaluate and compare packaging impacts • Began efforts to understand our impacts in extended producer responsibility 	SDG 17- Partnerships for the Goals 

Our Commitment	Our Strategies/Focus	Our Actions to Date	Related United Nations SDGs
Collaborate with Partners on Important Issues	<ul style="list-style-type: none"> Identify and collaborate with partners on shared goals and issues Understand needs/reality of recycling infrastructure and our role 	Engaged in partnerships with: <ul style="list-style-type: none"> Association of Plastic Recyclers SCS Global Services Sustainable Packaging Coalition How2Recycle® Flexible Packaging Association 	  <p>SDG 17 - Partnership for the Goals SDG 9 - Industry, Innovation and Infrastructure (Recycling)</p>
Reduce Packaging System Waste & Cost	<ul style="list-style-type: none"> Lower package volume, weight and cost during distribution Address food waste, shelf life and product damage Reduce energy use and waste in customer packaging operations 	<ul style="list-style-type: none"> Provided films to manage respiration and extend shelf life for fresh produce Innovated recyclable shipping films that can reduce volume 80% Provide right-gauged protection for display films Offered free onsite evaluations to reduce shrink packaging waste and energy use in customer operations 	<p>SDG 12 - Responsible Consumption and Production</p> 
Reduce the Impact of Our Manufacturing Operations and Supply Logistics	<ul style="list-style-type: none"> Monitor and report carbon emissions and other environmental metrics Reduce our energy use and water resources Operate safely and ethically Help reduce greenhouse gas emissions in our supply logistics 	<ul style="list-style-type: none"> Appointed C-level Green Team Invested in Energy Management Program First reporting Scope 1 and 2 of carbon emissions Trialed industrial packaging recycling program for customers to upcycle and reuse end caps, pallets 	<p>SDG 12 - Responsible Consumption and Production</p> 
Extend Knowledge & Educate Stakeholders	<ul style="list-style-type: none"> Attend and speak at key educational and industry events Advocate for the role of "good" plastics in circular economy Educate and engage Clysar employees, consumers, suppliers and other partners 	<ul style="list-style-type: none"> Participate in industry, association, education and conferences Work with customers and distributors on plastics economy and the role of shrink film vs. other packaging mediums Create live online and printed content on sustainable shrink packaging Participate in How2Recycle® labeling program 	<p>SDG 12 - Responsible Consumption and Production</p> 

Our Progress

We know demand for sustainability is embedded in virtually everything that's happening in packaging today. It's a concern for all of our stakeholders. We are pleased to report Clysar's recent progress in our journey to be a more sustainable shrink film manufacturing company.

Over the past 24 months, Clysar has made great strides. Our product advancement team has developed a stream of new shrink films to help reduce, minimize and optimize packaging. We have created a strong internal sustainability team to support our distributors and end-user customers, and established collaborative partnerships with key environmental and packaging organizations.

We have invested in third-party certifications and label pre-approvals validating our films are responsibly made and offer documented chains of custody. We now provide more ways to evaluate packaging sustainability, quantify environmental improvements, and reduce waste and cost throughout the package life cycle.

Yet having responsible products is not enough. Clysar works to ensure we remain trustworthy, transparent



and responsible at every touchpoint. For the first time, we are reporting our Scope 1 and 2 emissions. We are working to reduce energy and resource use, and continue to be a fair, ethical employer and community partner.

While we are on the path to greater sustainability, we know that the most progress is made through shared partnerships. We invite conversations on how we can achieve more, together.



A Commitment to Sustainable Shrink Films

Clysar's goals align with the United Nations circular model in which plastic contributes to the economy and packaging does not become waste. That commitment takes great focus and investment.

Recently, we took a step back and worked with partners to:

- 1) learn more about what makes plastic truly recyclable;
- 2) understand the recycling infrastructure; and
- 3) prioritize our customers' sustainability challenges and goals.

That diligence is seen in our expanding portfolio of sustainable solutions.



Recyclable Clysar® Ultra LEG™ and Clysar® EVO™ Films



Recyclable packaging is one of the leading sustainability goals of our customers and the consumer. Clysar® Ultra LEG™ and our Clysar® EVO™ family of films are prequalified by **How2Recycle®** for Store Drop-Off at more than 22,000 locations. These

proprietary shrink films eliminate "cross-linking"—a process during manufacturing that can cause problems in the recycling stream.



Clysar® ReClaim™ Pre-Consumer Recycled Resin

Our customers are looking for packaging materials with verified recycled content, and Clysar has responded. SCS Global Services has certified that our Clysar® ReClaim™ resins are pre-consumer recycled content. Many Clysar® films can contain this certified pre-consumer recycled resin, upcycled from materials derived from the Clysar manufacturing process.



PVC Replacement

Considering the health of people and planet, Clysar does not manufacture or sell PVC (polyvinyl chloride) shrink film, which contains toxic chloride. We offer a number of sustainable options to replace PVC shrink film, solving concerns over the health effects of chloride on the packaging line and in the landfill.



Source Reduction/Right-Gauging Solutions

Clysar® thin-gauge shrink films are ideal for reducing packaging material and cost, eliminating excess packaging, reducing packaging components and delivering higher performance at lower gauges.



Food Waste

Food waste is a growing environmental concern—responsible for roughly 8% of global emissions.* Clysar offers a number of films that combat waste by protecting against cross-contamination, flavor migration and moisture loss; managing respiration and spoilage; and adding as much as two weeks to shelf life for products like fresh produce.

*Source Project Drawdown 2022 <https://drawdown.org/solutions/reduced-food-waste>



Printed Shrink Film

Brand owners can achieve strong shelf impact with fewer resources through our printable shrink films, which eliminate extra packaging components like inserts and labels.

Logistics & e-Commerce Solutions

Clysar® EVO-C™ and HPG-C Confidential films can reduce package volume as much as 80% by replacing bulky corrugated outer boxes. A secondary packaging solution, the films improve cube utilization, reduce tare and DIM weight cost, and deliver efficiencies in transportation and warehousing.



Clysar® Polyolefin Shrink Film – Plastic with a Positive Impact

- ✓ Offers an inert plastic with low total impact, is safe and non-toxic
- ✓ Eliminates unfavorable materials like polyvinyl chloride (PVC). Still used in some shrink packaging applications, PVC contains chloride, which releases toxins during manufacturing and in the landfill
- ✓ Reduces food waste and contamination, safeguards quality and freshness
- ✓ Offers hardworking protection and shelf appeal with minimum material

A Low-Impact Alternative

- ✓ Requires fewer resources and energy to produce and recycle
- ✓ Requires less energy to transport (both rolls and finished packages)
- ✓ Is thin and lightweight, with low package-to-product ratio (typically only 1%-2% of all packaging material volume)
- ✓ Generates significantly less waste for the landfill*

*While recycling is a goal, we must acknowledge the importance of volume in landfills due to actual low recycling rates and Infrastructure challenges.

Food for Thought

According to the Food and Agriculture Organization (FAO) of the United Nations, **roughly one-third of all the world's food is wasted.** The nonprofit organization Feeding America estimates the average American family of four **throws out \$1,600 a year in produce, and wastes an average of one pound of food per person per day.**

A Commitment to Environmental Reporting – Our Carbon Footprint

We are committed to reducing Clysar's greenhouse gas emissions, and lowering our shared footprint.

Greenhouse Gas Emissions in Metric Tons

SCOPE 1 EMISSIONS -
362 CO₂ equivalent

SCOPE 2 EMISSIONS -
location based –
26,225 CO₂ equivalent;
market based – 27,160 CO₂

Calculated using GHG Emissions based on GHG Protocol. Location and market based per Guidehouse, boundary of Clinton, IA. Accounting Year 2021.

One critical aspect of this commitment is transparent environmental reporting.

We have taken the first step in reporting our annual greenhouse gas emissions by sharing our recent Scope 1 and 2 emissions. We have begun identifying Scope 3 emissions and will focus on

setting 2023 reduction targets as part of a data-driven sustainability/climate action plan.

Scope 1 and Scope 2 emissions are calculated for FY 2021 using the Intergovernmental Panel on Climate Change greenhouse gas methods, and emissions factors from the Environmental Protection Agency's Center for Corporate Climate Leadership — Emissions Factors for Calculating Greenhouse Gas Inventories.



Responsible Manufacturing and Supply

Being a responsible company is more than producing sustainable shrink films. It's also about being an ethical manufacturer focused on what's good for our distributors, our customers, consumers and our global community.

In addition to our Scope 1 and 2 reporting, we are undertaking a formal Energy Management Program to better monitor and manage our energy use. This is an important step in reducing our company's carbon footprint.

We have also established a cross-functional environmental team to lead our internal sustainability

initiatives and serve as a touchpoint for our customers. The team will evaluate and reduce energy and other resource use, improve internal recycling and education efforts, and incorporate sustainability into our continuous improvement programs.

Together with our distributors, we take a systems approach to logistics and supply management, helping our shared customers with solutions that reduce operational impacts through logistics, packaging line and shipping efficiencies; cost, waste and energy reduction; and even industrial packaging recycling programs.

Expanding Sustainability Resources

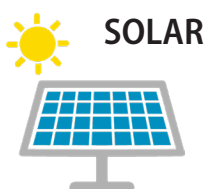
In 2022, Clysar debuted a customer-facing sustainability team. We now offer greater bench strength to support activities such as: Life Cycle Analysis to help customers compare and evaluate packaging formats; assistance with applications to apply for the Store Drop-Off label from **How2Recycle**®; responding to supplier RFP questions; and consulting on commercial project development.

We are also increasing our industry knowledge and resources through memberships and collaboration with the Association of Plastic Recyclers, the Flexible Packaging Association and the Sustainable Packaging Coalition.



Clysar collaborates with partners from sustainability organizations to brand owners to suppliers to plastic recyclers, working toward full-circle shrink packaging solutions that build a more sustainable future.

Some of the energy used in manufacturing Clysar® films is generated from renewable sources such as:



SOLAR



WIND



HYDROELECTRIC

Clysar® film is the only shrink film that is 100% manufactured in the U.S. from North American-sourced resin and packaging materials. This eliminates the impact of maritime freight or air cargo, a significant source of carbon.





We have created a number of educational resources on sustainable shrink topics including web content, videos, infographics, white papers and more.



Our Focus on Education

Moving forward, we have identified education as one of Clysar's top priorities.

Educating customers and consumers about the role of sustainable plastics is a critical challenge for Clysar, especially since "good plastic" is a hazy concept at best. Clysar® polyolefin shrink film is a responsible choice: one that can actually lower a package's carbon footprint. Much of our current efforts focus on helping stakeholders understand why.

We are committed to share our knowledge, empowering brand owners to make more informed purchase decisions; helping consumers build better habits; and arming our distributors with tools and training on Clysar shrink solutions.

We are also investing in our own organizational knowledge, from general employee environmental awareness to the technical demands of developing new shrink technologies, such as understanding possibilities for post-consumer content and bio-plastics.



Our Responsibility for Being a Good Employer and Community Partner

For more than 60 years, Clysar has been a packaging company known for our integrity and hardworking Midwestern values. Headquartered in Clinton, Iowa,



Clysar is a proud financial supporter of local emergency and first responder services.

we are an important employer and part of our small community.

As an employer, we invest in the health and well-being of our employees. We strive for positive, open labor relations and fair, competitive compensation and benefits. We support our team members' growth with education, skill training and career development opportunities. We are diligent about keeping our employees safe and healthy on the job, and have a strong safety management program with a goal of zero workplace injuries.

Giving and volunteering is second nature to our employees and our company. From United Way drives to fundraisers to supporting community non-profits and organizations, Clysar is active in meeting the needs of our community.



The Mississippi River watershed is home to Clysar and our employees. We maintain a close working relationship with the Iowa Department of Natural Resources, and we support native habitat and wildlife as individuals and as a company.

Our Associations and Collaborative Partnerships

As part of our sustainability commitment, we are working in collaboration with leading organizations and coalitions to address challenges, share knowledge, explore solutions and find ways to accomplish more.



The Association of Plastic Recyclers

The Association of Plastic Recyclers is an international association representing the plastics recycling industry. Members work together toward increasing supply, enhancing quality, expanding demand and communicating the value of recycled plastics.



Flexible Packaging Association

Connecting. Advancing. Leading.

The Flexible Packaging Association (FPA) is the foremost advocate and voice for the growing U.S. flexible packaging industry.



SUSTAINABLE PACKAGING COALITION®

The Sustainable Packaging Coalition is the leading voice of packaging sustainability. It cultivates stewardship, connects and mobilizes the packaging industry, provides learning opportunities and works toward standard sustainability measurement methods.



How2Recycle® is a smart labeling system supported by a coalition of forward-thinking brands and suppliers who want their packaging to be recycled. It empowers consumers through standardized labeling that clearly communicates recycling instructions to the public.

The Association of Packaging and Processing Technologies is a global resource uniting the packaging industry across the manufacturing supply chain. Members promote business growth across a variety of industries by developing innovative, sustainable manufacturing solutions.



The Contract Packaging Association is the national, nonprofit trade organization for the Contract Packaging industry. CPA promotes the growth and welfare of members and advocates for industry education, ethics and effective use of contract packaging.



Contract Packaging Association

Certifications & Approvals

- ◆ SCS Global Services Certification for Clysar® ReClaim™ Pre-Consumer Resins
- ◆ Intertek FSSC 22000 certification for food safety management
- ◆ Intertek ISO-9001:2015 quality standard certification
- ◆ U.S. Postal approved (see distributor for details)
- ◆ FDA/USDA approvals



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