Hood Container Corporation
Sustainable Practices
June 2021

A Conscious Corporation
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A Message from our President

On behalf of Hood Container Corporation, I am pleased to share our Sustainable Practices. Sustainability has always been at the core of who we are as an organization and as an industry of renewable resources.

Since our inception in 2012, we have grown to become 28 facilities. Each facility came to Hood Container with different standards, practices, and resources. Over the past years, we have worked to align ourselves as one company and define ourselves within our industry as leaders in sustainable practices. Measuring ourselves against past performance as well as global initiatives is critical for not only our business, but also for our employees, our customers, our communities, and our planet.

Today we continue to focus on reducing our carbon footprint through capital investment, education, policy and procedures, and innovative solutions.

Together, as an industry and a company, we tirelessly look for opportunities to make a positive impact on our world.

We look forward to the challenge of exceeding the goals we have set forth and welcome your ongoing partnership on this journey to make a difference.

Sincerely,

Greg Hall
President & COO, Hood Container Corporation
Through our unwavering commitment to safety, innovation, and sustainability, we passionately deliver indispensable value to our customers, employees, suppliers, communities, and stakeholders.

3,000 Employees
56 Facilities
15 Design Centers
11 Sheet Plants
10 Corrugating Plants
2 Paper Mills
1 Testing Center
One Team
In 2014 HCC set forth to protect our planet by operating in an environmentally responsible manner while being good neighbors in the regions we operate.

Since 2014 Hood Container Corporation has:

- Become SFI & FSC Certified in Mill Division.
- Increased use of recycled fiber by 74%.
- Reduced water usage by 28%.
- Reduced dependency on purchased power by 28%.
- Reduced Green House Gases by 17%.
- Decreased our recordable incident rate by 56% (2015-2019).

Today’s Practices Create Tomorrow’s Future

Project 2025

- Increase use of recycled fiber by 10%
- Reduce water use by 10%
- Reduce use of purchased power by 10%
- Maintain the use of 100% Sourced Fiber
- Reduction of recordable incident rate
- Reduce Green House Gas emissions by 5%
In the Business of Change

**Water**
Reduce water use

<table>
<thead>
<tr>
<th>Base Year: 2014</th>
<th>Target: 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,800 gal/ton</td>
<td>9,300 gal/ton</td>
</tr>
</tbody>
</table>

Since 2014 HCC has reduced water usage by 28%

**Recycled Fiber**
Increase Recycled Fiber Usage.

<table>
<thead>
<tr>
<th>Base Year: 2014</th>
<th>Target: 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>230,000 tons</td>
<td>450,000 tons</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2014</th>
<th>2019</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>230,000 tons</td>
<td>400,000 tons</td>
<td>450,000 tons</td>
</tr>
</tbody>
</table>

**Forest - Chain of Custody**
Maintain 100% procured fiber through certified fiber sourcing programs.

<table>
<thead>
<tr>
<th>2014</th>
<th>2019</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Safety**
The vision for HCC is zero injuries. Progress toward that goal is measured by OSHA Total Incidence Rate

<table>
<thead>
<tr>
<th>Base Year: 2014</th>
<th>Target: 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.80</td>
<td>0.70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2014</th>
<th>2019</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.80</td>
<td>0.86</td>
<td>0.70</td>
</tr>
</tbody>
</table>

Employee involvement to prevent accidents

**Climate Change**
Achieve a reduction in Green House Gases.

<table>
<thead>
<tr>
<th>Base Year: 2014</th>
<th>Target: 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4 Tons CO₂eq/Paper Ton</td>
<td>0.32 Tons CO₂eq/Paper Ton</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2014</th>
<th>2019</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4 Tons CO₂eq/Paper Ton</td>
<td>0.34 Tons CO₂eq/Paper Ton</td>
<td>0.32 Tons CO₂eq/Paper Ton</td>
</tr>
</tbody>
</table>

**Purchased Energy**
Reduce purchased energy consumption within HCC.

<table>
<thead>
<tr>
<th>Base Year: 2014</th>
<th>Target: 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.37 MMBTU/Ton</td>
<td>6.6 MMBTU/Ton</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2014</th>
<th>2019</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1 MMBTU/Ton</td>
<td>7.3 MMBTU/Ton</td>
<td>6.6 MMBTU/Ton</td>
</tr>
</tbody>
</table>

**Capital Investments**

- NJ Mill WESP Installation 2015
- STF Mill Pulp Mill Refiner Installation
- STF Modernization 2023

**Carbon Reduction Strategies**

- Enhanced waste reduction
- Improved process control
- Enhanced efficiency

**Employee Involvement**
- Waste reduction campaigns
- Process improvements
- Employee training

**Sustainability Goals**
- 20% reduction in energy consumption by 2025
- 50% reduction in water usage by 2025
- 100% of purchased fiber from certified sources by 2025
Aligning with UN Global Compact Ideology

Moving Forward in the Right Direction

Hood Container Corporation is aligning our processes and policies to follow the ideology of the UN Global Compact’s principles and goals. Establishing our company initiatives provide a platform to operate in an ethically and socially responsible manner and to further global initiatives.

HUMAN RIGHTS

Our company abides by, and in many cases exceeds, all government required labor laws.

ANTI CORRUPTION

Hood Container abides and adheres to Antitrust laws.

Hood Container has developed a Code of Conduct to make clear what is expected of employees in the workplace with respect to complying with the law and ethical behavior that aligns with our core values. This Code of Conduct will be finalized and implemented Q1 2021.

LABOUR

We strive to foster strong partnerships with those whom we have active collective bargaining agreements.

We are developing and implementing a minimum age requirement preventing hiring of anyone under the age 18.

Hood Container has a Non-Discrimination/ Harassment Employment policy in place that is distributed to all employees at the time of hire.

ENVIRONMENT

100% wood fiber procurement from chain of custody.

Total packaging and paper production is made with 35% Recycle Fiber Content.

Project 2025 set goals for reduction of greenhouse gases, water usage, and purchased power.
### Key Initiatives

<table>
<thead>
<tr>
<th>AF&amp;PA Sustainability Goal</th>
<th>Industry Progress from baseline (2005 - 2018)</th>
<th>HCC Progress Since 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve safety incidence rate by 25%, while working to achieve zero injuries</td>
<td>38.4% improvement in recordable incidence rate: GOAL SURPASSED</td>
<td>56% improvement in recordable incidence rate: GOAL SURPASSED *Since 2015</td>
</tr>
<tr>
<td>Increase wood fiber procurement from certified forestlands and certified sourcing programs; decrease illegal logging</td>
<td>12 percentage point improvement from certified sourcing programs; 5.1 percentage point improvement from certified forestlands: GOAL ACHIEVED</td>
<td>100% wood fiber procurement from chain of custody: GOAL SURPASSED</td>
</tr>
<tr>
<td>Improve purchased energy efficiency by at least 10%</td>
<td>13.3% decrease in purchased energy: GOAL SURPASSED</td>
<td>Reduced dependency on purchased power by 28%; GOAL SURPASSED</td>
</tr>
<tr>
<td>Reduce Greenhouse gas emissions by at least 20%</td>
<td>23.2% decrease in GHG emissions: GOAL SURPASSED</td>
<td>Reduced Greenhouse gas emissions by 17%</td>
</tr>
<tr>
<td>Reduce pulp and paper mill water use by at least 12%</td>
<td>6.9% reduction in water use</td>
<td>Reduced water usage by 28%; GOAL SURPASSED</td>
</tr>
<tr>
<td>Exceed 70% recovery for recycling</td>
<td>14.7 percentage point increase in paper recycling rate</td>
<td>Increased use of recycled fiber by 74%; GOAL SURPASSED</td>
</tr>
</tbody>
</table>

**AF&PA data provided by AF&PA 2020 Sustainability Report**

*** HCC data through 2019