



Altium Packaging provides packaging solutions to a variety of end markets including beverage, food, pharmaceutical, household chemicals, and others. With 64 rigid plastic packaging manufacturing facilities, 2 recycled resin manufacturing facilities and about 3,500 employees across the United States and Canada, the company has an integrated network that consistently delivers reliable and cost-effective packaging and recycled resin solutions. Altium's recycling division operates under the name Envision Plastics and provides post-consumer resin products to meet the ever-increasing needs of our customers.

As part of the subsidiary's ongoing sustainability reporting efforts, the company addresses sustainability issues that are considered to be most relevant to its business. When determining which areas to highlight the company used as a guide a number of different sources including the applicable issues identified by the Sustainability Accounting Standards Board's (SASB) industry-level materiality guidance and third-party sustainability experts.

EMPLOYEE RELATIONS

Diversity

Altium is committed to fostering an inclusive culture that celebrates individual differences and enables it to attract diverse talent. Altium actively tracks the diversity of its workforce, and these statistics are included in Loews's EEO-1 Report.

Employee Survey & Engagement

Altium conducts an annual employee engagement survey. Altium tracks employee engagement and employee net promoter scores (eNPS) as the two key indicators of employee commitment. These metrics are captured across multiple levels including overall company, business units, location, and function. Employee Engagement, as measured by the percentage of employees who responded favorably to questions related to motivation, commitment, and referral, was 39% for 2021. Although this represents a slight decrease from previous years, it still approximates industry benchmarks. The overall eNPS score, measuring probability that an employee would recommend Altium as a great place to work, has been steadily improving over the last 4 years.

In addition to the overall engagement metrics, Altium also tracks employee satisfaction on dimensions such as manager capabilities, organizational communication and satisfaction with pay and benefits.

Employee Reporting Hotline

Altium's Employee Hotline is managed by a third party. The Employee Hotline is made accessible to employees through a branded phone number, website and mobile application, all with multi-lingual intake options, making it easy for employees to fulfill their obligation to report known or suspected violations of Altium's Code of Business Conduct, company policies, or the laws that govern Altium's business. Approximately 50% of reports relate to employee relations matters (e.g., dissatisfaction with schedule changes, interpersonal conflicts, disagreement with disciplinary action, etc.). Reports are reviewed by Legal and assigned for investigation when necessary.

ENTERPRISE RISK MANAGEMENT

ERM Process

Altium has an Enterprise Risk Council that consists of the General Counsel, Deputy General Counsel and VP of Commercial Excellence. In 2019, Altium created an Enterprise Risk Assessment (ERA) tool, which is a comprehensive risk register that scores over 100 risk factors based on their likelihood, immediacy and impact. Impact scores include potential financial, reputational and business continuity ramifications of each risk. In addition to rating inherent risk, Altium also scores its mitigation efforts to derive a net risk score. These scores inform which risks the management team invests the most time in addressing.

Incorporation of Systemic and ESG risks into ERM

Altium's ERA tool incorporates many systemic risks as part of the over 100 different risk factors it evaluates. In addition to that, Altium monitors its liquidity on a daily basis and projects its future sources and uses of liquidity over 30-, 60- and 90-day periods. These metrics are monitored by Altium's Treasurer, CFO and CEO daily. Altium is committed to maintaining strong financial controls as validated by internal and external audits.

Altium has also completed a thorough review of how climate change and environmental risks could impact its business and has implemented a number of measures to mitigate environmental threats. One major risk to Altium is a shortage of resin or a sustained price increase for resin due to supply interruptions driven by hurricanes in the Gulf Coast region. In order to mitigate the impact of natural catastrophes on its business, Altium has identified and approved backup sources of resin supply for most major applications.

Data and Cyber Security

Business Email Compromise (BEC) and Ransomware are identified as the most critical cybersecurity risks in Altium's IT Security and Risk Management Strategy. Altium has introduced several in-depth defense steps to reduce its cybersecurity risk beginning with well-educated employees. Altium implemented a Cybersecurity Awareness and Assessment plan that includes monthly email threat assessment campaigns, Lunch and Learns, Learning Management System content, bi-monthly email newsletter, and yearly National Cybersecurity Awareness Month activities. The awareness and assessment campaigns educate the workforce about business and email compromise threats, ransomware tactics, and social engineering schemes, among other cyber security threats. Altium has also made it significantly easier for

employees to report phishing emails by providing a “Report Phishing” button in Outlook for desktop and mobile reports.

In response to business email compromise threats, Altium adopted fraud prevention best practices, such as multi-factor authentication and cautionary e-mail signatures for all accounting employees. Altium has also published an Incident Response Policy (IRP) and an IS Acceptable Use Policy (AUP). The AUP outlines the appropriate use of the company infrastructure by employees at all levels, while the IRP provides guidance on incident response by outlining roles and responsibilities. These policies help instill compliant, productive methods of electronic use and therefore help to prevent malicious attacks and compromised network systems.

Altium employs a continuously evolving cybersecurity posture, including:

- Email defense solutions, which provide proactive detection, response, assessment, and awareness capabilities
- An enterprise password safe to safeguard privileged credentials
- Robust Security Information and Event Management (SIEM) and Security Operations Center (SOC) partners for monitoring the Altium network 24x7
- Distributed Denial of Service (DDoS) mitigation
- Endpoint detection and response software (EDR) to prevent malicious activity on endpoints.

STRATEGY

Incorporation of ESG into Strategic Considerations

Altium incorporates a number of ESG considerations into its strategic planning, and the senior leadership team and capability leaders engage in on-going discussions regarding sustainability innovation, the employee experience, and governance with integrity.

Altium continually monitors plastic-related legislation and activism to assess the impact on Altium’s business. Altium’s management recognizes the importance of environmental sustainability to its customers and has taken actions to make its products more sustainable. One example of this is the innovations Altium has made on light-weighting. Light-weighting has significantly reduced the amount of plastic Altium uses to make its containers, which not only makes its products more environmentally friendly, but also more cost- effective for Altium and its customers. This has given Altium a meaningful competitive advantage.

Altium also operates a recycled resin business. Altium is the second-largest United States producer of recycled high-density polyethylene (HDPE). The company produces 100-115 million pounds of this recycled HDPE per year.

CLIMATE CHANGE

Climate Change and Strategy

Altium has been at the forefront of setting standards for environmentally responsible packaging. Altium was one of the first manufacturers in the world to offer 100% recycled plastic bottles (excluding colorant), and they continue to push the boundaries in post-consumer resin (PCR) or recycled resin usage and lightweight packaging. For example, since 2016, Altium’s light-weighting efforts have reduced

CO₂ emissions by 61 million pounds. This reduction in GHG emissions roughly equates to planting 2.1 million trees.

Altium has also incorporated climate risk into its resin sourcing strategy. The company recognizes that the increased frequency of catastrophic weather events may cause supply chain disruptions. In 2020, Altium purchased 93% of its polyethylene (PE) resin from locations away from the volatile weather seen in the Gulf Coast. In addition, Altium has maintained a diversified portfolio of resin suppliers with 47% of PE resin purchased from secondary and tertiary suppliers in 2020. Altium continuously monitors its supply chain to limit potential impacts and ensure there is adequate redundancy.

Scope 1 & 2 GHG Emissions Covered Under Emissions-Limiting Regulations

SASB: RT-CP-110a.1

Altium is in the process of estimating Scope 1 & 2 baseline emissions.

Total estimated Scope 1 emissions in 2019 were 7,111 metric tons.

The primary source of these emissions is natural gas used for heating activities. Scope 1 emissions are monitored through utility billing processes and are posted to Altium's intranet on a monthly basis to encourage conscientious energy usage.

Total estimated Scope 2 emissions in 2019 were 265,322 metric tons.

The company's manufacturing processes produce limited Scope 1 emissions. Most of the company's GHG emissions come from Scope 2 sources, such as energy consumption. As a result, the Company's Scope 2 emissions are higher than its Scope 1 emissions.

Total Energy Consumed

SASB: RT-CP-130a.1

Altium's manufacturing facilities consumed 375,257,812 kilowatt-hours in 2019 and 405,222,013 in 2020. The increase is attributed to growth through acquisition.

Strategies to Address Scope 1 and 2 Emissions

SASB: RT-CP-110a.2

As a manufacturing company, Altium looks for opportunities to reduce GHG emissions across its operations. Altium is currently in the process of estimating baseline GHG emissions. Altium's current strategy focuses on reducing Scope 2 emissions, as there is a larger opportunity for reducing these emissions than there is for reducing Scope 1 emissions. Altium has effectively implemented several company-wide energy efficiency projects dedicated to reducing Altium's carbon footprint. As an example, in May 2021, Altium launched Project Whisper, an effort to identify and repair compressed air leaks at all of Altium's plants. As of December 2021, Project Whisper has reduced energy consumption in 37 plants.

Water Consumption and Management

SASB: RT-CP-140a.2

Overall, the amount of water used at Altium's manufacturing facilities is minimal, as very little water is required in the manufacturing of plastic containers. However, water is a part of Altium's manufacturing process at its two Envision Plastics plants, as water is necessary in the sanitization process for recycled resin.

Hazardous Waste

SASB: RT-CP-150a.1

Minimal hazardous waste is generated from Altium's operations. Depending on the size of the facility, typical amounts of waste generated per facility range from 25-150 gallons per year. The main source of waste generation is used oil, which is sent to companies like SafetyKleen to be recycled.

Strategy to Reduce Environmental Impact of Products Throughout Lifecycle

SASB: RT-CP-410a.1, RT-CP-410a.3

Altium focuses on producing primary packaging designed to protect and extend the shelf life of a product's contents. The company prides itself on partnering with customers to advance the use of recycled content and reduce the amount of virgin material required. Today, 99.7% of the packaging Altium produces is fully recyclable.

Altium acquired its PCR business, Envision Plastics, in 2014. Through Envision, Altium is the second-largest United States producer of recycled HDPE resin. Envision Plastics was founded in 2001 and, since that time, has produced nearly 1.5 billion pounds of recycled resin, and continues to produce 100-115 million pounds of recycled HDPE per year. Envision produces a range of high-quality packaging options, including EcoPrime®, which is a line of products made from recycled packaging through a unique, patented process designed to eliminate contaminants. The FDA has issued Letters of No Objection to allow these products to be used in many food and beverage applications.

Plastic containers have a significant impact on the earth's oceans (14 million tons of plastic waste ends up in the world's oceans every year). Acutely aware of the damage that ocean-bound plastic can cause, Altium created a program that recycles plastic from at-risk areas such as Mexico and Haiti, reducing the amount of waste that would otherwise end up in the ocean and enabling a more circular economy. Since 2017, through its OceanBound plastic offerings, Envision has already removed 26 million pounds of plastic that was at risk of polluting oceans.

In addition to the recycled resins business, Altium has responded to customer interest in more sustainable packaging solutions through its family of patented light-weight package designs known as Dura-Lite®. Dura-Lite® bottles offer a sleek new look, a robust container, a compelling sustainability solution and potential for material cost savings for dairy, beverage, and water applications. Compared to traditional offerings, Dura-Lite® reduces plastic resin usage 5-20% while maintaining or improving strength and performance attributes. Altium has continued to expand the Dura-Lite® platform in response to customers' demand for environmentally conscious packaging through the commercialization of new offerings.

Altium has shipped over 1.8 billion Dura-Lite® bottles since the technology was commercialized in 2016. Since its launch, the use of Dura-Lite® packaging over conventional packaging has saved approximately 22 million pounds of virgin plastic. The environmental savings of Dura-Lite® has reduced Altium's energy consumption by 48 million kilowatt-hours. Altium expects even greater savings as more of its customers convert to Dura-Lite® dairy and industrial bottles and as the company develops more applications of its light-weight technology.

Altium has also been actively pursuing methods and technologies that reduce the total mass of plastic in its products, as well as those that increase the percentage of recycled content in its products. The company is developing ways to further increase the use of non-plastic fillers and plant-based materials as substitutes for petrochemical-based materials. For example, in 2020, 2.8 million pounds of plastic were offset through the use of mineral fillers and plant-based materials in Altium's bottle production.

While Altium offers a number of services and products to help minimize the impact of plastic on the environment, solutions from manufacturers are only part of the answer. Altium's goal is to help create a circular economy for the packaging industry and eliminate plastic waste. As a result, Altium supports customers in developing sustainable solutions, including the use of recycled resin in its products, and encourages governments and communities to develop the infrastructure to support recycling. Meanwhile, as consumer demand for recycled plastic products increases, Altium is ready, willing and able to provide them.

SAFETY

Employee Safety

Altium believes that the health and safety of its employees is one of the company's greatest responsibilities. Over the past several years, the company has been relentless in its pursuit of continuous improvement of its safety culture, programs and procedures. In 2019, Altium conducted a series of plant assessments and employee interviews as part of a follow-up to a similar engagement a few years earlier. In addition, the company has a robust set of environmental, health, and safety standards and an audit and self-assessment process. This comprehensive work has resulted in an improved overall safety program that focuses on safe work behaviors, reduction in incidents with serious injury or fatality (SIF) potential, educating workgroups on safe practices and developing leadership capabilities to support performance and advance the safety culture.

The company continues to drive both a leadership observation program, and an employee-led observation process. Currently, the company is averaging more than 8,000 observations per month across its network of facilities. Between 2019 and 2021, Altium saw a reduction of more than 56% in total injury rates and an improvement of more than 65% for injury cases resulting in days away or restricted time. In addition, starting in 2019 the company began measuring its SIF rate and has shown a greater than 85% reduction in SIF incidents over the past 15 months.

Product Safety

SASB: RT-CP-250a.2

Product safety is integral to Altium's business, especially as its packaging is often used in food and beverage applications. Altium has a strong track record of producing products that are safe and durable.

Given the company's extensive experience using a variety of plastic materials, Altium considers the fitness of those existing materials first for each new product it produces. When new materials are required, Altium considers the safest and most sustainable options and guides its customers in the direction of those materials. If a customer insists on using alternative materials, those materials are researched by Altium's purchasing, engineering, R&D and business unit stakeholders to determine their viability. If those materials are found to be unsafe or otherwise undesirable, the company may recommend alternatives to the customer, seek ways to manage product safety or choose not to accept new business without safe or manageable alternatives.

Product Recalls

SASB: RT-CP-250a.1

Altium had no product recalls in 2021. Altium maintains a company-wide quality incident management system to manage all customer-reported quality incidents. Altium also maintains an "Always Made Right" commitment to its customers, through which Altium empowers employees to speak up and take action immediately if something is not right.

ETHICS & VALUES

Code of Business Ethics

Altium's seven Guiding Principles form the foundation of its values-driven culture and are designed to serve as an operating philosophy that inspires the way Altium conducts business. Employees constantly strive to keep the Guiding Principles at the forefront of every conversation they have and every action they take. The seven Guiding Principles are:

- Act with integrity and in compliance;
- Drive value creation;
- Be disciplined entrepreneurs;
- Focus on the customer;
- Act with humility;
- Treat others with dignity and respect; and
- Seek fulfillment in your work.

The seventh Guiding Principle ("Seek Fulfillment in Your Work") was added in February 2018 in response to employee feedback and reflects Altium's commitment to provide its employees an environment for personal, professional and technical development to foster their professional fulfillment and the company's organizational growth. Employee feedback on the Guiding Principles has been very positive. On an annual basis, the company recognizes employees who have exemplified each of the Guiding Principles. Employees are nominated by their co-workers, empowering them to recognize and credit one another for practicing the Guiding Principles. Employees receive training on Altium's Code of Business Conduct annually.

Equal Opportunity Policy

Altium is committed to providing a workplace free from unlawful discrimination, harassment and retaliation. Altium will not tolerate discrimination or harassment against any employees on the basis of

race, color, age, gender, national origin, religion, disability, pregnancy status, sexual orientation, gender identity or expression, military or veteran status, genetic information, familial status or any other protected status under federal, state or local law. Altium also will not tolerate retaliation against any employee who exercises rights under its policies or the law. Altium's equal opportunity policy is in its Code of Business Conduct and is posted in the company's employment policy repository, which is accessible to all employees. Altium's commitment to equal employment opportunity is also included in every job posting.

Harassment Free Workplace

Altium is committed to providing its employees with a safe, nurturing environment that ensures they can perform at their best. Harassment is not tolerated in any form and Altium provides harassment prevention training, which all employees are required to complete at least every other year. Training consists of an LMS module and testing. Training is offered in English, French and Spanish.

Non-Solicitation Policy

Altium employees may not distribute literature or solicit employees in the work area or on work time. Any fundraising must be sponsored by Altium. Non-employees are prohibited from soliciting or distributing anything on company property without prior approval from Human Resources. Altium's non-solicitation policy is made available to employees through the company's policy repository.

BUSINESS CONTINUITY AND SECURITY

Disaster Preparedness & Response Plan

Altium maintains a crisis management & response manual that is used by all of its manufacturing locations and published on the company's intranet. This manual provides response actions for natural disasters, environmental releases, safety incidents, pandemics, security issues, product recalls and plant shutdowns.

As an essential business during the COVID-19 pandemic, Altium has continued its manufacturing operations, producing plastic packaging for food, beverage, wellness, sanitation and pharmaceutical products. The company has maintained health and safety in its 66 facilities by developing a robust COVID-19 action plan, which includes the following elements:

- Creation of a COVID-19 task force that meets weekly;
- Enhancement of paid leave benefits to encourage employees with symptoms or exposure to stay home;
- Development of a COVID-19 incident response protocol to address cases of exposure to, or diagnosis with, COVID-19;
- Symptom and temperature checks for those entering our facilities;
- Provision of face masks;
- Procurement of disinfectant, hand sanitizer and other cleaning supplies; and
- Encouragement of social distancing and other, similar measures.