

Inovar Packaging Group: Sustainability Statement

Thank you for reaching out and for your interest in Inovar Packaging Group LLC's sustainability initiatives. We appreciate the opportunity to share our progress and priorities for 2025. At Inovar, we view sustainability as an evolving journey. Each year, we build upon our foundation, refine our approach, and expand our impact in alignment with customer expectations, industry best practices, and the needs of the communities we serve.

Our Approach to Corporate Social Responsibility

Sustainability isn't just a goal for Inovar—it's part of our DNA. Our Corporate Social Responsibility framework is built on three pillars: Environmental Stewardship, Social Responsibility, and Strong Governance, each shaped by stakeholder input and ESG (Environmental, Social, and Governance) materiality analysis.

Key Areas of Focus

- Sustainable Product Innovation
- Responsible Sourcing & Supply Chain Ethics
- Carbon and Resource Management
- Employee Safety, Inclusion, and Development
- Community and Industry Engagement
- Compliance and Governance

Our Vision Moving Forward

Inovar Packaging Group is committed to continuous improvement in environmental performance, social responsibility, and ethical governance. We will continue to innovate, invest, and collaborate across our value chain, delivering packaging solutions that are both sustainable and high-performing. By providing the right tools, technologies, and people, we aim to help bend the curve on emissions. Together, we are building a future that works for our customers, our communities, and the planet.

2025 Goals and Progress

Baseline Year: 2022

The year 2022 serves as our baseline for comparison and measurement of ESG progress.

Supplier Social Practices

- Supplier Social Code of Conduct: Develop and communicate by 2025. Status: 100% complete
- Compliance with Code: 75% by 2026. Status: 60%
- Annual Social Audits (Tier 1 suppliers): 80% audited, 90% satisfactory ratings by 2026. Status: 75% audited

Supplier Environmental Practices

- Tier 1 Supplier Environmental Audits: 100% by 2026. Status: 70% complete

Sustainable Sourcing of Wood & Wood-Based Products

- 75% certified sourcing by 2025. Status: 77% complete

Supplier Governance Practices

- 100% key suppliers implement governance policies & audits by 2025. Status: 100% complete

Environmental & Operational Targets (2025–2026)

- Energy Consumption & GHG Emissions: Reduce GHG emissions by 5% by 2026. Status: 0.5% progress
- Water Stewardship: Implement rainwater harvesting for 5% of supply by 2026. Status: 0% complete
- Air Pollution: Transition 75% of forklift fleet to electric/low-emission by 2026. Status: 40% complete
- Waste Management: Reduce landfill waste via advanced recycling by 2026. Status: 10% complete
- Product Use & End-of-Life: Launch packaging take-back programs by 2026. Status: 3% complete

Workforce, Human Rights & Social Responsibility Targets (2025–2026)

Career Management & Training

- Ensure 100% of new employees receive training within their first six months. Status: 100% complete
- Expand ongoing training opportunities and career development resources. Status: 80% complete

Child Labor, Forced Labor & Human Trafficking

- Maintain zero cases of child labor and forced labor. Status: 0 cases
- Conduct key annual supplier compliance audits. Status: 85% complete

Diversity, Equity & Inclusion (DEI)

- Broaden inclusive learning and development programs across all employees. Status: 80% complete

Employee Health & Safety

- Conduct annual safety training for 100% of employees. Status: on-going, 100% completed monthly
- Achieve 95% compliance in occupational safety inspections. Status: 100% compliance

External Stakeholder Human Rights

- Conduct annual human rights audits of key suppliers. Status: X% complete
- Ensure 100% key supplier compliance with ethical labor standards. Status: % complete

Social Dialogue

- Achieve at least 85% employee participation in surveys and forums. Status: 95 participation
- Resolve 95% of grievances within 30 days. Status: 100% complete
- Train 100% of supervisors/managers in conflict resolution. Status: X% complete
- Provide regular feedback channels (surveys, town halls, forums). Status: X% complete

Working Conditions

- Conduct audits on fair labor practices. Status: 40% complete

Compensation, Equity, and Wage Standards (2025–2026)

Fair Compensation

- Conduct annual benchmarking assessments to ensure industry-competitive pay. Status: 50% complete
- Ensure 100% of employees earn at least the local living wage by 2026. Status: on-going
- Guarantee access to healthcare, retirement plans, and paid leave for at least 98% of full-time employees by 2026. Status: 100% complete
- Establish an annual salary increase framework aligned with economic trends and company performance. Status: 100% complete

Wage Transparency

- Ensure 100% of senior management and HR personnel are aware of wage policies and pay equity

by 2026. Status: 100% complete

Supplier Wage Standards

- Conduct supplier wage audits covering at least 85% of key suppliers by 2026. Status: 65% complete
- Ensure corrective action plans are implemented for all non-compliant suppliers, with a 90% resolution rate by 2026. Status: 50% complete

Wage Equity and Non-Discrimination

- Reduce identified wage gaps by proactive wage adjustments by 2026. Status: on-going

Governance, Ethics, and Compliance Targets (2025–2026)

Anti-Corruption, Bribery, and Fraud

- Target zero confirmed incidents per year. Status: 0 incidents
- Require 100% of new employees to acknowledge company anti-corruption policies. Status: 100% complete
- All employees complete related training every 2 years. Status: 100% complete
- Document, investigate, and resolve 100% of alleged incidents. Status: 100% complete
- Track and review ethics-related reports semi-annually. Status: 100% complete

Information Security

- Ensure information security training is rolled out to all employees, including new acquisitions. Status: 100% complete
- Maintain 95% compliance in IT security audits. Status: 100% complete
- Minimize cybersecurity risks through enhanced monitoring and updated protocols by 2026. Status: 100% complete

Conflict of Interest

- Ensure 100% of employees are aware of the policy to disclose potential conflicts. Status: 100% complete
- Resolve disclosed conflicts within 60 days. Status: 100% complete

Anti-Retaliation and Whistleblower Protection

- Ensure 100% awareness of the anti-retaliation and whistleblower policy. Status: 100% complete
- Ensure confidential and prompt resolution of reported issues within 30 days by 2026. Status: 100% complete

Measurement, Validation, and Progress Tracking

- Progress measured against 2022 baseline.
- ESG performance tracked using ESGTech.ai, EcoVadis, and internal scorecards.
- Independent validation and benchmarking provided by ESGTech.ai, EcoVadis, alongside internal and third-party audits.

Challenges & Lessons Learned

As part of our evolving sustainability journey, we continue to learn from both successes and challenges—whether navigating supply chain constraints, adopting new technologies, or engaging our teams across facilities. These lessons guide our future strategy and sharpen our focus on long-term impact.