



## Pactiv Evergreen through the ESG Lens

### Environmental

At Pactiv Evergreen, we demonstrate our commitment to the environment by offering innovative, sustainable products and protecting our planet's resources.

In 2020, we announced a new goal that in 10 years, 100% of our products will be made with recycled, recyclable or renewable materials. Today, we are already 65% of the way towards our goal.

The cartons produced by our Beverage Merchandising business are recyclable and are made with over 70% renewable material from trees. Plus, all of our fiber meets the Sustainable Forestry Initiative® (SFI®) sourcing standards. We also hold third-party certifications from the Forest Stewardship Council® (FSC®-C016043), the Programme for the Endorsement of Forest Certification™ and SFI, which shows our commitment to responsible wood procurement and chain-of-custody procedures.

Our Foodservice and Food Merchandising businesses are focused on incorporating environmental attributes that we refer to as our "Four R's:"

- **Reduce:** reduce the use of petroleum-based materials by incorporating other materials, such as minerals and plant-based starches
- **Reuse:** design products that may be washed and reused by consumers
- **Recycle:** manufacture products that include post-consumer recycled materials and/or are recyclable
- **Renew:** utilize renewable materials and/or are compostable

In addition to designing new products using our state-of-the-art production technology and material science experience, we actively support efforts to expand opportunities for consumers to recycle or compost our products. We are founding members of the Carton Council, Paper Recovery Alliance, Plastics Recovery Group, Foam Recycling Coalition and the Paper Cup Alliance. We have demonstrated our commitment to use more recycled plastic by joining the Association for Plastic Recyclers' Demand Champions program. We engage with the composting industry through the US Composting Council, and a growing number of our products are certified compostable by the Biodegradable Products Institute. And, we are a longstanding member of the Sustainable Packaging Coalition, an industry working group dedicated to a robust environmental vision for packaging.

Within our operations, we are working to limit our environmental impact by reducing greenhouse gas emissions and energy consumption, as well as minimizing waste going to landfills. We're focusing on what's material to our company, and since 2015, we have already achieved a 12% reduction in absolute energy consumption, and a 10% reduction in greenhouse gas emissions.

Improving energy efficiency is critical to us as energy expenses are among our highest cost categories to manufacture our products. We're also looking to use more renewable energy, which further reduces our greenhouse gas emissions. Today, about half of our annual energy consumption comes from renewable sources including biomass, hydropower, wind and solar.

Reducing waste in our operations is an ongoing, company-wide pursuit. We reuse a significant majority of plastic and paper scrap back in manufacturing our own products and implement programs to reduce scrap in production as much as possible. The plastic or paper scrap that cannot be reused in the manufacturing process is recycled by other third parties where possible.

## Social

Valuing people is at the core of who we are at Pactiv Evergreen — from the thousands of employees across our company to those who live in the communities in which we operate. We are committed to engaging our employees and communities through a variety of social initiatives centered on safety, leadership and community involvement.

Safety is our foundation. Our manufacturing facilities have achieved safety metrics that are approximately three times better than industry averages in 2019. We had a total recordable incidence rate of 1.14 compared to the industry average of 3.20, a total lost time rate of 0.83 compared to the industry average of 1.93, and a total lost workday rate of 0.35 compared to an industry average of 0.93.

In addition to our safety-oriented culture, we invest in the health and well-being of our employees, as evidenced by the approximately \$30 million of investments in employee comfort and convenience initiatives in our facilities since the beginning of 2019.

We focus on attracting and retaining a diverse workforce and providing an environment in which our employees are treated with respect and enjoy equal opportunities for advancement. Our Operations Leadership Program, for example, recruits Junior Military Officers and puts them through an intensive training program to fast-track their transition into manufacturing and logistics leadership roles. Thirty-one candidates have successfully completed or are currently enrolled in this program, and seven are currently Plant Managers or Warehouse Operations Managers. Additionally, our Leadership Advisory Council identifies high performing and high potential employees and provides them with the executive mentorship and guidance needed for them to excel. This program has been highly successful, with two of our CEO's direct reports having participated in the program.

Externally, we give back to our communities in which we live and work. In some cases, these programs are corporate-led, and in other cases they are employee-led, often driven by personal causes. We support charitable organizations because they create stronger communities and build more sustainable economies.

## Governance

We have implemented a strong, independent governance program, prioritizing ethics, integrity and lawful conduct. We believe our success depends upon maintaining the trust of employees, customers, suppliers, government authorities and of course, our shareholders.

Our ESG initiatives are executive-led and transparent, with established ESG metrics that are tracked annually. Providing additional oversight on ESG and other company-wide issues is our board of directors. The composition of our board of directors reflects our commitment to independence. Of the seven members of the board, four are independent members, including two women. The chairman of our board of directors is also an independent member.

For additional information on Pactiv Evergreen's ESG initiatives, please visit [pactivevergreen.com/sustainability](https://pactivevergreen.com/sustainability) or email us at [sustainability@pactivevergreen.com](mailto:sustainability@pactivevergreen.com).

