



Rooted in SUSTAINABILITY

2023-2024 Environmental, Social,
and Governance Report



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Rooted in Sustainability

As a company, our roots run deep. We were founded 80 years ago by father-and-son team Abraham and Phil Granovsky. Over the decades, the team grew, their ideas grew, and their operations grew, as the company responded to the evolving needs of new generations. But one thing remained unwavering: our dedication to building a responsible, sustainable company. At Atlantic Packaging, sustainability isn't a trend; it's woven into our DNA. We have always created high-quality packaging that is environmentally responsible. As innovators, we are committed to driving sustainability – at our company, within our industry, and for our customers – by creating packaging that is respectful of resources and our planet.



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Unless otherwise noted, all KPIs cited in this report are for the 2024 fiscal year (FY2024), which runs from June 1, 2023 to May 31, 2024.

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MESSAGE FROM THE PRESIDENT

Welcome to Our First ESG Report

I'd like to personally welcome our customers and other readers to Atlantic Packaging's very first Environmental, Social, and Governance (ESG) Report. While this is our first report, it's certainly not the start of our ESG journey.

Atlantic Packaging has been using recycled paper fibre since our early days. We've looked for ways to reuse, conserve, and reduce materials and energy ever since, and will continue to do so. While we've been working hard to build a sustainable and responsible business, we've seldom communicated how we are doing this to people outside of the company.

In recent years, as our customers have become increasingly aware of, and accountable for, both their own environmental impact and that of their supply chains, we've realized that we need to help them understand how our own sustainability measures impact their businesses. I'm pleased to be able to share this information with you in this report.

Taking Our Environmental Leadership Role Seriously

While we had already been benchmarking our ESG emissions for a number of years, in 2022 we commissioned PwC to conduct a comprehensive materiality assessment of our ESG issues and priorities. This work has informed our ESG roadmap, which we continue to build on, leading to some noteworthy highlights this fiscal year, including:

- An additional paper machine was safely installed at our Whitby location during the height of the COVID-19 pandemic. This remarkable accomplishment, achieved during a time of shutdowns and supply chain shortages, was made possible through teamwork and strong partnerships.



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- Our plan to convert steam to heat at our New Forest plant, which will primarily serve the future condominiums in the area, will help lessen the city’s energy demand. We worked closely with the nearby condo developers, collaborating to proactively address any concerns related to steam generation from our manufacturing process, thereby enhancing air quality and contributing to a healthier environment.
- We established close, strong working relationships with the municipalities of Elgin, Illinois and Ancaster (Hamilton), Ontario, the sites of our newest locations, to ensure that the water we return to the city is as clean as the water we take in. We plan to implement these technologies across our other sites as we move forward.
- We are planning to install solar panels at our Whitby location beginning in 2025. When completed, this will be the largest roof installation in Ontario in private industry. We are also implementing similar projects at our facilities in Quebec and the United States.

There are more opportunities to improve, and we will continue to work together internally and in partnership with municipalities and provincial and federal governments to do so.

Respecting People and Communities

With 80% of our staff working in production, our number one priority is safety, and we are proud of our track record in this area. Employee engagement is correlated with both safety and customer satisfaction levels, so we continue to look for ways to improve in this important area.

Atlantic Packaging has a long history of corporate philanthropy and giving back to our communities. As a private company, we choose to give anonymously, not for recognition, but because it aligns with our values and is simply the right thing to do.

Responsible Management Supports Sustainability

Since our cyberattack in February 2020 we have worked diligently to ensure that we proactively try to eliminate risks before they affect our customers. In response, we built additional checks and balances into our operations through formalized risk assessment and management procedures, with the goal of preventing and mitigating potential damage from uncontrollable events.

This heightened vigilance extends to our ESG efforts as well, with senior leadership actively overseeing ESG risks and reporting responsibilities to ensure we remain both vigilant and accountable in this critical area.

Looking Forward

As a company with an 80-year history, we are about to celebrate a rare anniversary. At the same time, we see it as just another milestone on our journey in support of our customers’ businesses.

Here at Atlantic, we like to say “never be done.” This phrase guides us as we prepare our ESG Roadmap, which will chart the course for how we will continue to help our customers lower the impact of their products, care for our people, and govern transparently and responsibly. I look forward to sharing with you our progress along the ESG road in future reports.

On behalf of the entire Atlantic Packaging family, I thank you for choosing us as your packaging partner.

Sincerely,



Sean Weir
President

“I am proud that so many customers continue to trust us to support their businesses and we continue to work to earn that trust every day.”



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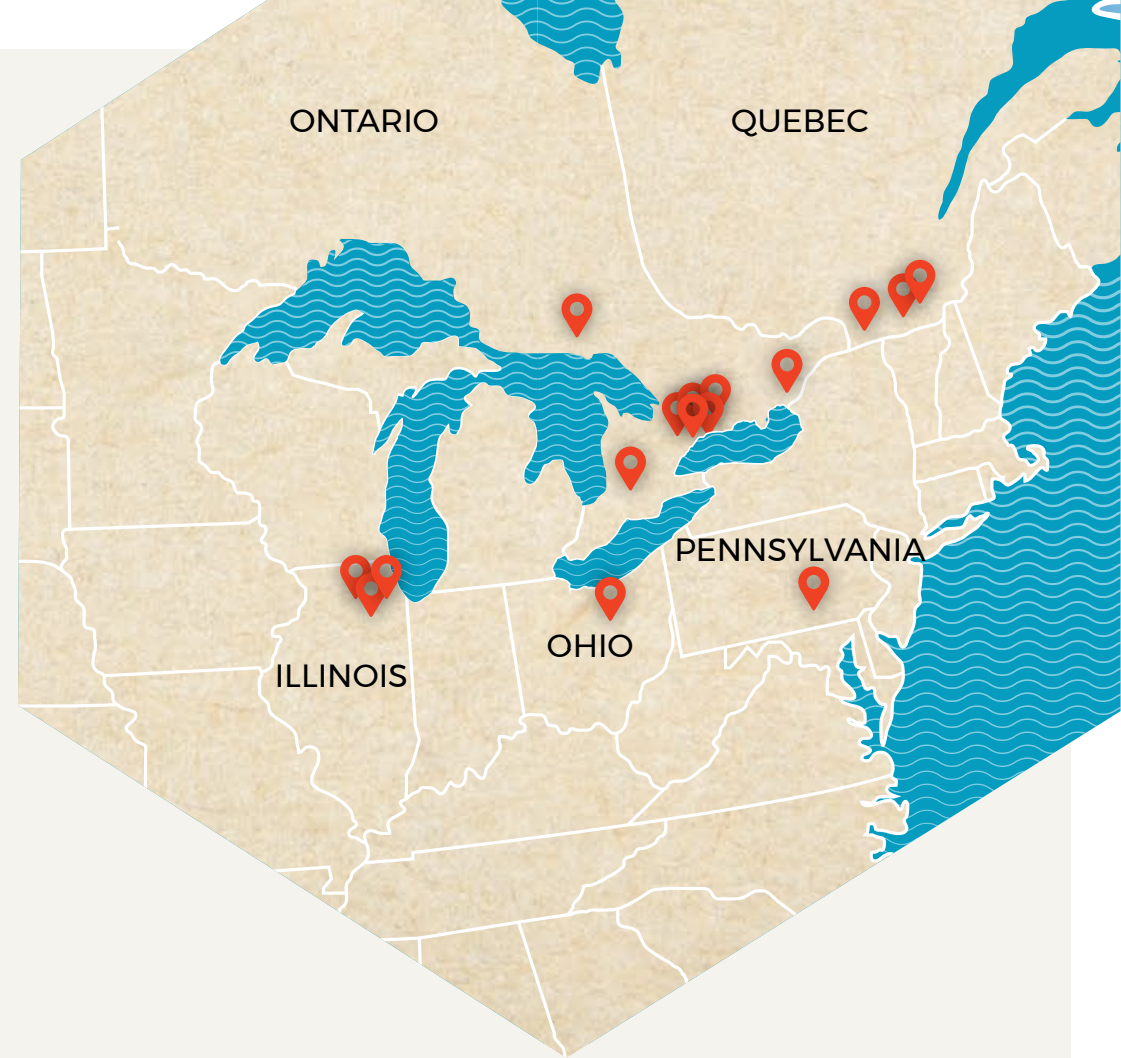
About the Atlantic Packaging Group

Atlantic Packaging is a privately owned Canadian company that has been in business since 1945, when Abraham Granovsky and his son Phil first opened the doors to a small converting plant in downtown Toronto.



The Granovsky family has transformed Atlantic Packaging into an agile group of corrugated packaging companies serving customers across North America. They have achieved this through forward-thinking vision, continuous reinvestment into the business, and a focus on serving the customer, however large or small.

After 80 successful years in the packaging and manufacturing industry, we continue striving to improve and enhance our presence in North America.



3,600

employees



80

years in business



20

production facilities in Canada and the U.S.

Atlantic Packaging's Family of Companies

Atlantic Packaging is strategically positioned to provide customers with a total packaging solution spanning corrugated packaging, paper bags, retail packaging, displays, pre-print, supply and inventory management, 100% recycled paper mills, and paper recycling. We listen, understand, and cater to every customer's unique requirement and offer packaging solutions tailored to their individual needs. As a packaging partner, we strive to provide proactive, innovative solutions while focusing on our environmental commitment, to improve our customers' business performance at any stage of growth.

Our Canadian facilities are located in Ontario and Quebec, and our U.S. facilities are situated in Illinois, Ohio, and Pennsylvania. (See locations on map, above.)

Canadian Services and Capabilities



- Custom corrugated cartons
- Standard shipping boxes
- E-commerce packaging
- Packaging supplies
- Single and double wall capability
- Over-sized containers
- Retail packaging and display solutions
- Structural design and packaging audits
- Lab testing
- Food-grade certification
- Amazon APASS design capability
- Vendor-managed inventory (VMI)



- Manufacturer of recycled-based products since 1969
- Manufacture high-quality, 100% recycled Enviroliner and Enviromedium containerboards
- One of the first companies in North America to manufacture high-performance lightweight paper



- Custom corrugated cartons
- Standard shipping boxes
- E-commerce packaging
- Packaging supplies
- Single, double, and triple wall capability
- Over-sized containers
- Retail packaging and display solutions
- Structural design and packaging audits
- Lab testing
- Food-grade certification
- Amazon APASS design capability
- Vendor-managed inventory (VMI)



- Colourful, cost-effective printed linerboard for small- and large-volume users
- Three 98" flexographic presses
- Print on industry standard grades, recycled linerboard, and coated paper rolls
- Preferred supplier to many leading North American companies

U.S. Services and Capabilities



- Custom corrugated cartons
- Standard shipping boxes
- E-commerce packaging
- Packaging supplies
- Single and double wall capability
- Over-sized containers
- Retail packaging and display solutions
- Structural design and packaging audits
- Lab testing
- Food-grade certification
- Amazon APASS design capability
- Vendor-managed inventory (VMI)



- Custom corrugated cartons
- Standard shipping boxes
- Retail packaging and display solutions
- Structural design and packaging audits
- Packaging supplies
- Automated packaging equipment
- Alternative packaging materials



- Custom corrugated cartons
- Standard shipping boxes
- Packaging supplies
- Packaging equipment and systems



- Custom corrugated cartons
- Standard shipping boxes
- Retail packaging and display solutions
- E-commerce packaging
- Structural design
- Fulfillment / contract packaging
- Inventory control and management



- Sheet feeder
- 110" corrugator offering E, B, C Flute and any double wall combination

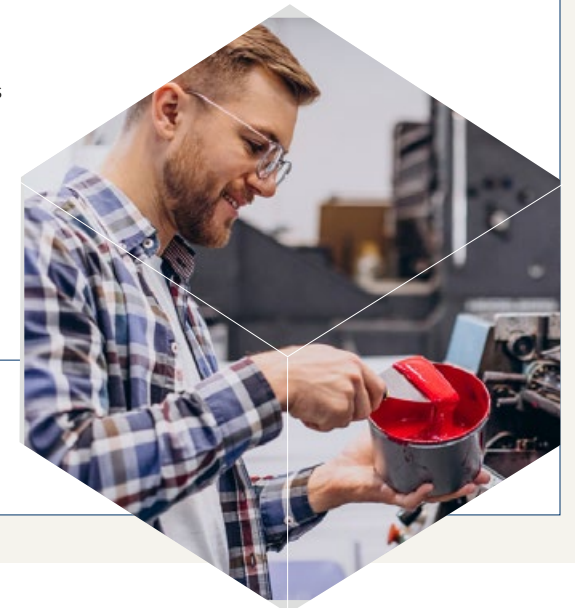


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Growing to Meet Our Customers' Needs

At Atlantic Packaging, our growth is guided by our desire to meet customer demand for our products in the regions where they need us most. To support this, we opened a brand-new, state-of-the-art corrugated and converting facility in Elgin, Illinois in 2023 (see photo, top right). We also just launched another cutting-edge corrugated and converting facility in Ancaster, Ontario.

Both facilities optimize every opportunity to reduce and recycle – and keep our surroundings clean – with advanced sustainability capabilities such as:

- shredding and baling all paper waste for reuse
- treating and reusing water from our processes
- reusing steam to heat water and starch
- using heat generated by the compressor to warm buildings in winter
- reducing energy consumption with high-voltage substations designed for high efficiency
- collecting dust generated during production and compressing it into a puck for clean disposal
- reducing our footprint by minimizing floor space needed for storage, to reduce energy consumption
- reinforcing our commitment to environmental stewardship by installing solar panel arrays on both facilities in the coming year

We are proud of the best-in-class design of these facilities and the services they will bring to our valued customers in those locations.

Meeting Third-Party Certifications and Standards

As a company dedicated to providing high-quality, sustainable packaging solutions, we are committed to working with our customers and business partners to achieve credible third-party assurances such as audits and certifications regarding our materials and processes, including (but not limited to) the Sedex Members Ethical Trade Audit (SMETA) assessment standards. Atlantic Packaging converting plants in Ontario and Quebec have FSC (Forest Stewardship Council) certification for our paper products, and our companies in the U.S. are willing to work with our customers and business partners towards certifications and assurances such as FSC and others. Furthermore, three of our plants are also certified against the IFS PACsecure Standard, a GFSI (Global Food Safety Initiative) recognized food safety certification program.



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Our Core Values

Atlantic Packaging is a customer-centric company, which means that everything we do is guided by a desire to create a great customer experience. Our Core Purpose – to always meet customers’ expectations – is supported by four strategic pillars: Vertical Integration, Customer Experience, Innovation, and Operational Excellence.

Our cultural foundation is our Core Values. These are the common principles that guide everything we do:

Exceptional customer experiences... always. We are passionate about our customers’ success. Every employee at Atlantic Packaging commits to doing the right thing by making decisions that put the customer first and deliver a positive experience with every interaction.

Work as one team. While the company is divided into various departments, we work as a unified, coherent team to drive the business forward. As challenges arise, we expect all employees to step outside their functional silos to solve those challenges. We believe in a passionate and professional exchange of ideas and that decisions should be focused on what is best for the company, not any particular team or function.





Our people are our family. We care for the well-being of our team members and want to provide employees with the opportunity to have a long and successful career at Atlantic Packaging. We work hard to create a safe and accepting workplace for all.


Your word is your bond. Atlantic Packaging believes in uncompromising trust with its customers, vendors, and employees. What we promise, we deliver. As a team, we never shy away from the tough conversations, while also doing everything in our power to meet any commitment we make.

Think and act as an owner. Every employee is empowered to take ownership of their work and encouraged to identify solutions and move forward with them. We value the drive to succeed and embrace an action-oriented approach that looks at the bigger picture to do what is best for the business.

Environmental leadership. Environmental sustainability is in our roots as a company, and we advance this goal in every way possible throughout the company. As the environmental leaders in our industry, we strive to do the right thing every day and use this as our guiding principle in our decision making.

Atlantic Packaging Core Purpose: Always meet customers’ expectations

 Vertical Integration Focus on our expertise in boxes and packaging. Expand paper production to support packaging growth.	 Customer Experience We believe the market is seriously underserved and we want to close the gap between what customers need and what the industry offers.	 Innovation Develop solutions that improve our customers’ business packaging solutions, but also service and communication models.	 Operational Excellence Ensure top-quartile cost performance. This allows us to REINVEST in our business to better serve our customers.
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Core Values

- Exceptional customer experiences... always
- Work as one team
- Our people are our family
- Your word is your bond
- Think and act as an owner
- Environmental leadership

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Putting Customer Experience Front and Centre

Decades ago, Phil Granovsky started his letter to the company’s employees with the words, “Customers are our most important people.” This message resonates to this day, as this principle of putting customer needs first continues to guide our actions.

“Continue to bring more sustainable options to the table, continue to be as supportive as you have been, we appreciate the partnership!”
 – Marc Hyman, Crownhill Packaging Ltd.

The survey findings also indicated that our customers expect us to be a partner they can trust and rely on, as well as an active collaborator that proactively brings solutions to the table. Our company is dedicated to fulfilling these expectations with a lens on sustainability to meet our customers’ expectations.

Atlantic Packaging’s Net Promoter Score

We are grateful for the remarkable loyalty our customers have demonstrated towards our company, as evidenced by our Net Promoter Score (NPS) of 50. We know our work doesn’t stop here. We will continue efforts to further improve our NPS score as a demonstration of Atlantic Packaging’s commitment to be a trusted partner of choice for our customers.



To support our core purpose of meeting our commitment to our customers, we conducted numerous interviews with customers and employees in all three regions (Ontario, Quebec, and the U.S.) to gain insights into customer expectations and assess our current performance. We also piloted our first formal customer experience (Cx) survey in Ontario in FY2024, and we will follow up with another Cx survey across all three regions in FY2025.

The Ontario Cx survey results and the interviews in all regions revealed remarkable consistency regarding what our customers are looking for in a packaging partner. In addition to our receiving a strong Net Promoter Score of 50, it is notable that 93% of the Cx survey respondents acknowledged the ease of doing business with us.



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How We Create Outstanding Customer Experiences



Creating Custom Solutions

We partner with our customers to provide solutions that are tailored to their needs and drive business performance (both theirs and our own) in a manner that is environmentally and socially responsible. As an example, we recently worked with Cookie Pal to simplify their display design and were able to achieve a **21% reduction in materials used, 90% reduction in waste and scrap and a 38% faster assembly time** (see right). As ESG factors continue to gain significance, we are committed to continuing these partnerships to aid our customers' growth.



Increasing Efficiency With Audits

We collaborate with our customers to offer services that go above and beyond. One example of how we do this is by conducting **packaging audit assessments** to identify opportunities for continuous improvement. In these audits, our specialists travel to customer plant sites and **provide recommendations for improvements**. These improvements can include recommendations for arranging and loading pallets more efficiently, increasing efficiency of plant lines, automating manual processes, and conducting compression analyses of boxes.



Sharing Our Expertise

Our exceptional design team offers a **monthly series called "Corrugated 101."** These sessions educate our customers on critical components of corrugated packaging and offer tours of our plants and testing labs. These popular sessions have received excellent reviews, and customers tell us they appreciate learning about the many packaging solutions that Atlantic Packaging offers, gaining insights into the manufacturing process, and discovering opportunities for finding efficiencies or improvements to their orders.

Digital Printing: An Environmentally Friendly Alternative

Atlantic Packaging customers enjoy a wealth of attractive, customized formats and printing options to showcase their products (see examples, right), including digital printing. By eliminating plates and tooling (which require harsh chemicals) and by using non-toxic, water-based inks, this process minimizes our overall water consumption. Digital, on-demand printing offers a sustainable alternative that significantly reduces waste and minimizes resource consumption compared to traditional printing methods.



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Sustainability at Atlantic Packaging

Atlantic Packaging has operated as a recycling company long before recycling was a normal part of life, with a business model centered on utilizing recycled paper fibre as a primary input. Even as our product lines have evolved, our commitment to using recycled materials whenever possible has remained steadfast.

In 2015, we began to proactively document our milestones and developed a roadmap for environmental improvement. This concerted effort has led to immense progress in our sustainability initiatives.

As a vertically integrated company, we hold a significant advantage in having a centralized, sustainable, and economical method of incorporating recycled raw materials into our value chain. By having complete control of our manufacturing processes from start to finish, we are able to develop a superior product with the greatest possible efficiency, which ultimately results in an outstanding customer experience.

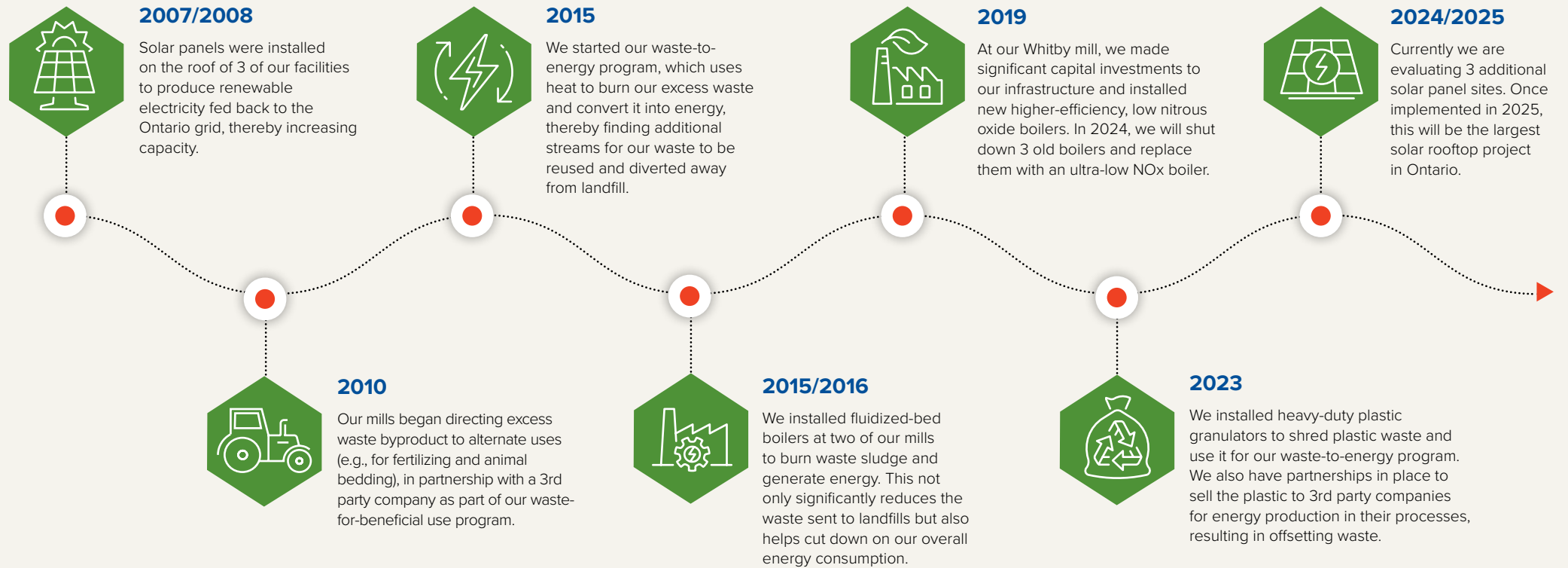


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Manufacturing Operating Model

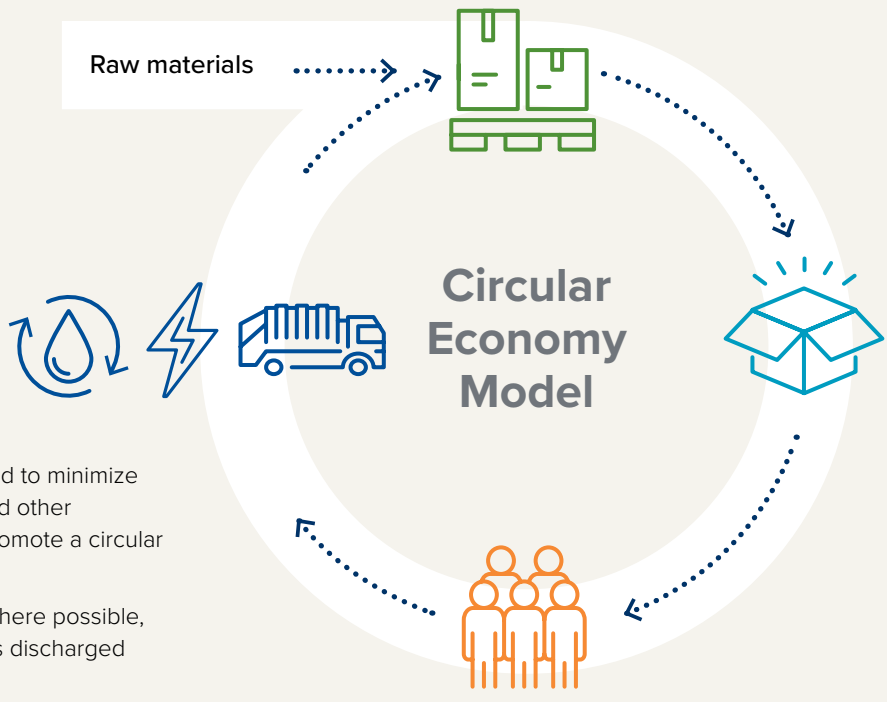
Our core business manufactures 100% recycled linerboard and corrugated packaging.

Atlantic Packaging has proudly been manufacturing predominantly recycled-based products since 1969. Our paper manufacturing processes utilize primarily recycled fibre that is post-industrial. In some cases, based on customer demand, we do use virgin fibre from other mills but the majority of our paper is post-consumer based. Through our efficient resource use and waste management processes, we strive to apply the principle of a circular economy in our operational model.

Atlantic Packaging has proudly been manufacturing predominantly recycled-based products since 1969.

Paper Mills

Our 4 paper machines (located in 3 paper mills in Ontario) use 100% recycled paper sourced from urban centres and municipal sorting facilities as inputs into our manufacturing process. Since the inception of our company in 1945, our production process has conserved energy wherever possible to reduce or eliminate emissions into the environment.



Corrugated Box Plants

We primarily use our own 100% recycled paper into corrugated boxes. In the manufacturing of corrugated boxes, we recycle all scrap paper that we generate into new paper. The recycling of scrap into new recycled paper can be ready for use in as little as 24 hours.

Waste

Our processes are optimized to minimize all forms of waste and to find other beneficial uses to further promote a circular economy model.

- Water is largely reused where possible, and a small percentage is discharged back to the city.
- High-efficiency pumps, motors, and lighting are used wherever possible.
- Fibre that cannot be reused or diverted from landfill is monitored to continue to reduce landfill intensity impact.

Our Customers

To ensure that we stay ahead of the changing needs of our customers, we continually invest in new technologies and processes that result in better solutions for our customers, such as lighter boxes, reduced packaging and standardized options. We also provide education on recycling, design, and corrugated packaging best practices.

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Our ESG Journey

Atlantic Packaging has always been a company deeply rooted in sustainability. In 2021, we began formalizing our ESG program. As a company whose core value is customer experience, we started this process by asking the question, “What are the priorities of our customers?”

To find the answer, we engaged a third-party consulting firm to conduct a comprehensive stakeholder materiality assessment. The goal of this exercise was to identify key ESG issues and to help us gauge which were most critical to our customers and partners.

Materiality Assessment and Stakeholder Engagement

Using industry best practices and accepted assessment methodologies, this exercise engaged key internal and external stakeholder groups, including suppliers, our Executive team, and Board of Directors, as well as government and non-government agencies.

The process uncovered ESG topics and challenges for Atlantic Packaging, as well as our strengths and areas for development. The materiality matrix (right) highlights the eight Areas of Focus that emerged from the materiality assessment.

These Areas of Focus form the basis of our ESG Framework. These topics, and their associated goals, help us identify gaps and refine our corporate strategies to meet the associated key performance indicators (KPIs). They also inform our material risks, and we will be utilizing them to inform our ESG disclosure moving forward.

These initial activities also laid the groundwork for our future ESG strategies. We intend to refresh our materiality assessment every three to five years. We also plan to conduct an annual ESG survey that will inform us of any emerging risks and opportunities and help us understand the impact of ESG events on our industry. Moving forward we will also monitor KPIs related to our ESG performance through monthly and quarterly internal management reports and reviews.



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Our Sustainability Framework

The results of our materiality assessment were critical in shaping our ESG strategy by highlighting areas of significant importance to our customers. From this work, we were able to map the specific Areas of Focus to each ESG Pillar, as shown in the graphic at right.

For each Area of Focus, where possible, we have outlined the goals, targets, and KPIs to address critical impacts across our value chain. These Areas of Focus demonstrate how sustainability and stewardship are integrated into our business objectives and priorities.

By leveraging our core purpose of delivering exceptional customer experience, we are concentrating our efforts on initiatives that help our customers understand the environmental impact of their products through our climate change and decarbonization strategies. Additionally, we are committed to educating both our employees and customers about our sustainability practices and ESG initiatives.

CX Customer Experience



Pillar Environmental Leadership

- Focus**
- 1 Climate Change
 - 2 Circularity



Pillar People and Communities

- 3 Health, Safety, and Well-Being
- 4 Employee Experience
- 5 Community Relations



Pillar Responsible Management

- 6 ESG Engagement
- 7 Business Resilience
- 8 Governance and Accountability

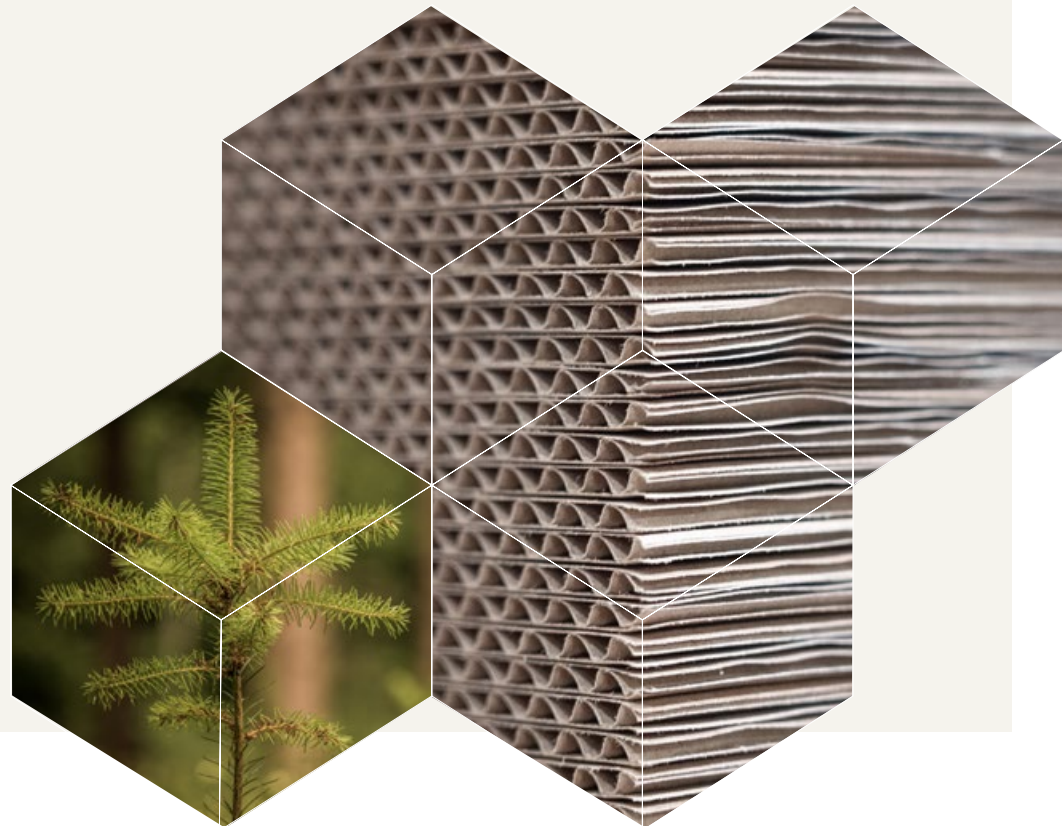


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About This Report

As part of our mission to always meet our customers' expectations and partner with them to support their success, we are immensely proud to deliver our first Environmental, Social, and Governance (ESG) Report, which highlights our strong commitment to, and rich history of, sustainable development. In this report, we share our dedication towards the ESG topics that are important to our customers, partners, communities, and employees. The report covers our progress so far, our targets, and our future goals. We intend to publish a report on our progress towards our ESG priorities every two years. This will ensure transparency, demonstrate accountability, and keep our customers and stakeholders informed about our efforts.

Scope of This Report

The scope of this report includes the entire Atlantic Packaging family of companies across North America. However, our core business (our mills and corrugated converting facilities) generate the majority of our emissions and for this reason the Environmental Leadership section of this report focuses on these locations.

The reporting period covers the 2024 fiscal year (FY2024), which runs from June 1, 2023 to May 31, 2024. Any exclusions in data and content are noted as footnotes where relevant. Scope 1 and scope 2 greenhouse gas (GHG) emissions data has been calculated according to the GHG protocol, and FY2020 is the baseline year for all data disclosed throughout the reporting period.

As we strive to continuously improve our ESG disclosure, we value input from all our stakeholders and welcome your feedback. Any ESG inquiries can be directed to esginquiries@atlantic.ca.



Throughout the report, we will indicate which Sustainable Development Goals (SDGs) are aligned to our ESG Framework.



Look for the CX icon, which highlights initiatives that impact Customer Experience.



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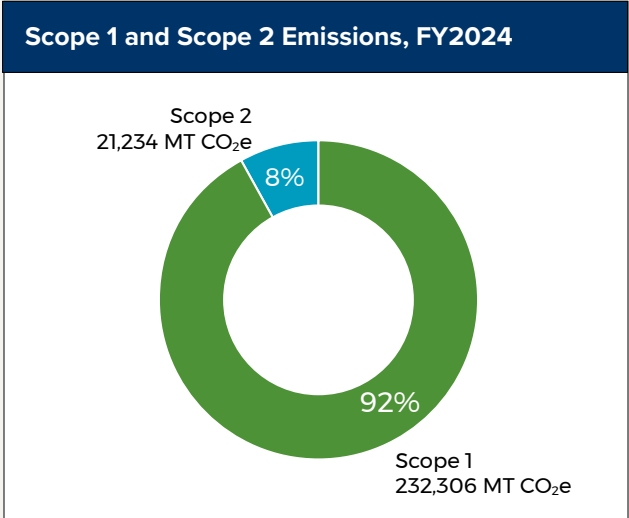
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At Atlantic Packaging, we are committed to cultivating a culture of environmental awareness and leadership. From product inception to delivery, we collaborate closely with our customers and our partners to support their environmental sustainability objectives, and we continually seek innovative ways to reduce our own impact. Our work in the Environmental Leadership pillar aligns with United Nations Sustainable Development Goal 13, Climate Action. Climate Change and Circularity are the fundamental Areas of Focus from the materiality assessment that fall within this pillar.



We know that it is important for you, our customer, to understand the environmental footprint of your packaging – both for your business and your own customers. This is why our environmental pillar includes initiatives that support a positive customer experience by providing transparency around our emissions and our sustainability initiatives. We know that this information is important to our customers and increasingly vital to their own work in managing their environmental footprint throughout their supply chain.

Climate Change and Our Work to Reduce GHG Emissions



Our mills (which supply the recycled paper stock used for corrugated packaging) are the major contributors of our scope 1 and scope 2 greenhouse gas (GHG) emissions, contributing approximately 83% of our total emissions. Our converting box plants (where corrugated containerboard is assembled into packaging products) and our other sites (such as our pre-print, retail displays, and other value-adding converting facilities) contribute approximately 17% towards our total scope 1 and scope 2 GHG emissions.

2030 Goal

Reduce scope 1 & scope 2 GHG emissions intensity (per MSF*) at our mills by **20%**

Given the nature of our operations, to reduce our scope 1 impact we focus primarily on optimizing the efficiency of our equipment. Scope 2 emissions make up only a small portion of our overall GHG emissions.



* one thousand square feet

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Addressing Our Primary Emissions Sources

We have established a baseline year of FY2020 for disclosure of our GHG emissions, and have set targets for emissions reductions for the years subsequent to that year. Our goal is to reduce the scope 1 and scope 2 GHG emissions intensity of our paper mills by 20% by FY2030 compared to FY2020. As a further commitment towards reducing our environmental impact, we will begin working towards getting our target reviewed by the Science Based Targets initiative in the coming year.

One of the ways that we address our scope 1 impact is by finding ways to enhance operations and upgrade infrastructure through innovative technologies.

Our largest source of scope 1 emissions is the use of natural gas in our facility boilers. We have made multiple upgrades to retire inefficient, high emitting nitrous oxide boilers at our paper mills and replace them

with ultra-low emitting nitrous oxide boilers. In recent years, we have made significant capital investments in boiler upgrades at various mills and converting plant locations. These investments reflect our continuing commitment to reducing emissions while increasing productivity.

Compared to our baseline year of FY2020, GHG emissions intensity at our mills remained fairly stable in FY2024, with only a slight increase despite our substantial growth driven by customer demand. Installing a new paper machine – as we did at our Whitby mill – typically requires a significant amount of time to fine-tune the machine so it runs at optimal emissions efficiency. We’re happy to note that since the commissioning of the machine at the tail end of FY2023, when our intensity peaked, we have been able to drive the intensity down closer to FY2020 levels. Once the adjustment process of the Whitby mill is complete, we anticipate that emissions will be further reduced despite our increased production.

Our GHG emissions, as shown in our intensity graphs, show the kilograms of CO₂e produced for every thousand square feet of paper.

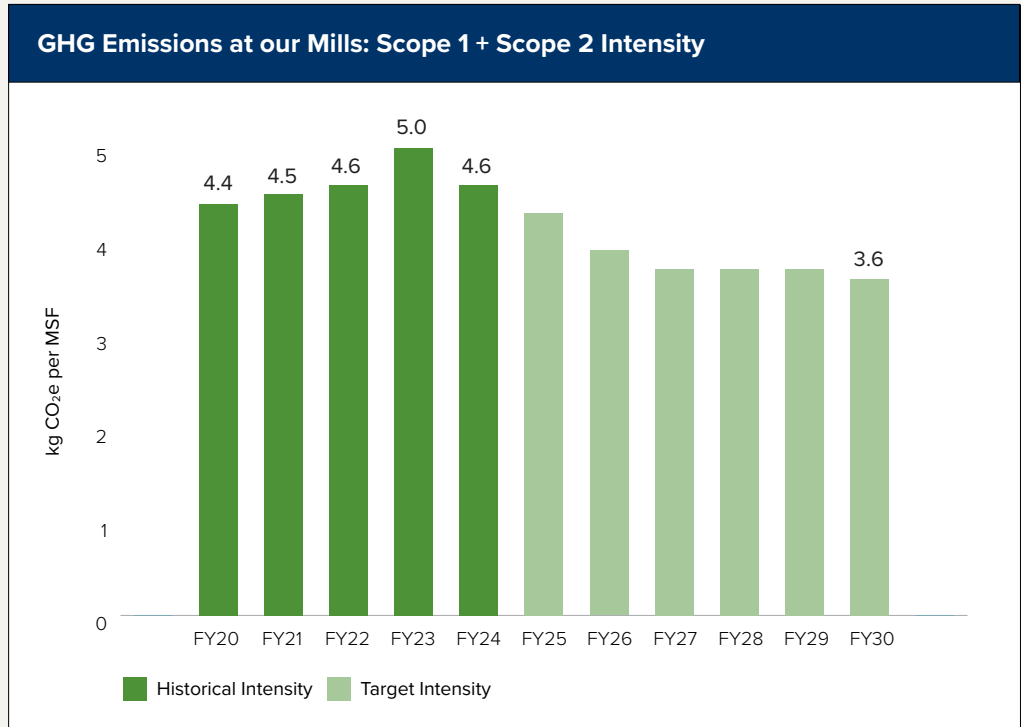
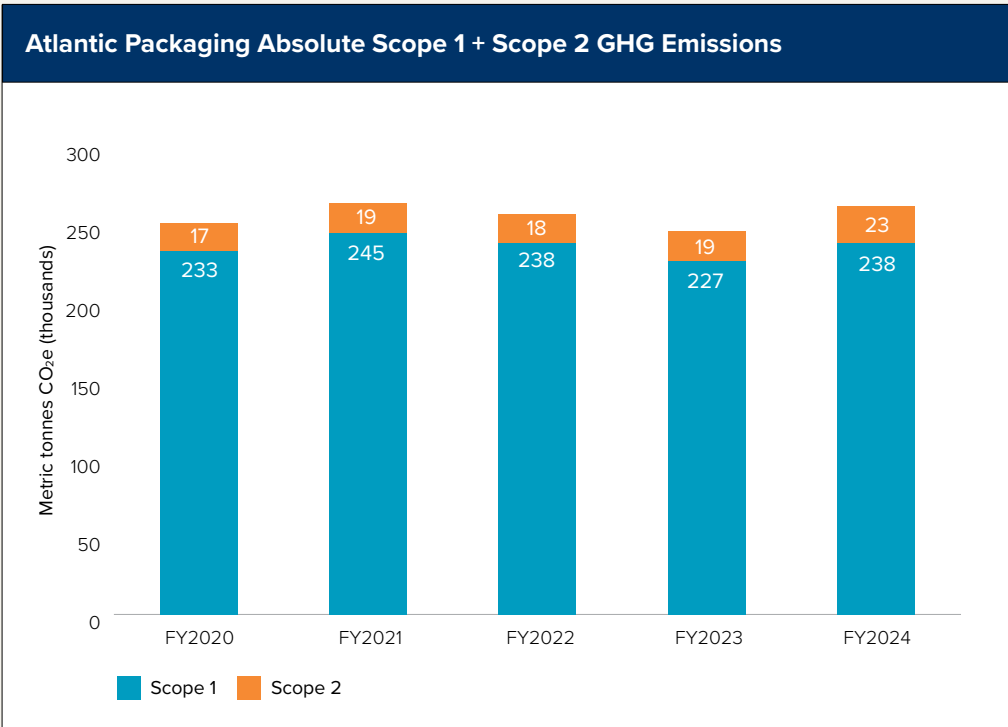


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Programs to Reduce Scope 2 Emissions

Although scope 2 emissions are a minor contributor towards our overall energy consumption, we continue to invest in projects to minimize them.

A few recent examples include:

- We have reduced scope 2 emissions by transitioning to LED lighting across all our office and manufacturing spaces. These retrofits have resulted in a **53% reduction in lighting energy requirements**, which equates to a reduction of 699 kW for our Ontario locations.
- In our mills, we have updated our pumps and now use variable speed motors, which allow us to control and monitor energy use during stock preparation.
- Our installation of solar panels at some facilities has resulted in power being sent back to the grid. We have three existing solar project sites in Ontario. Together, they produced a total of 1.26 GWh of solar energy in FY2024.

- We have implemented an electric vehicle (EV) incentive program to support our employees’ efforts to reduce their reliance on fossil fuels. Atlantic Packaging will reimburse a percentage of the total cost of an electric vehicle for employees who meet the program criteria.
- We are in the process of installing EV chargers at multiple locations to provide complimentary charging for employees and customers.

Our scope 3 emissions are closely tied to factors such as the location of recycled fibre sources and customer sites for product delivery. In the near future, we plan to work with our partners to find ways to address our scope 3 emissions.



3,000 trees

planted in September 2023 to mark our 78th anniversary



Employees at one of the two tree planting drives Atlantic Packaging sponsored with Trees Canada this past summer.

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Our Commitment to Circularity

At Atlantic Packaging, we promote circularity along the entire value chain, beginning with our input of recycled raw materials, and continuing through to our work with suppliers and partners who have similar priorities of circularity and sustainability. Our circular manufacturing business model (see [page 11](#)) means that we not only recycle and reuse products and materials as much as possible, but also strive to reimagine our processes and designs to find new ways to minimize waste throughout the production lifecycle.

Using Recycled Raw Materials

Starting with our biggest raw material, old corrugated containers (OCC), we annually complete Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) Chain of Custody third-party audits.* This provides our customers with confidence that our fibre sources have successfully met recognized standards for issues such as quality, health and safety, ethical production, and environmentally mindful sourcing.

We obtain our OCC primarily from Canadian sources (73%), with some coming from the United States (28%). This reduces the transportation emissions needed to acquire the material while supporting the waste diversion programs of the local municipalities where we operate.

Reducing Our Water Usage

We recognize that the paper production process is inherently water intensive. We are committed to minimizing our impact by treating and reusing water wherever possible before returning it to the municipality.

Our overall target is to reduce water usage intensity at our mills by 15% by FY2030 compared to our baseline year FY2020. We are pursuing a number of measures to reach this target.

2030 Goal
 Reduce water consumption intensity (per MSF) at our mills by **15%**

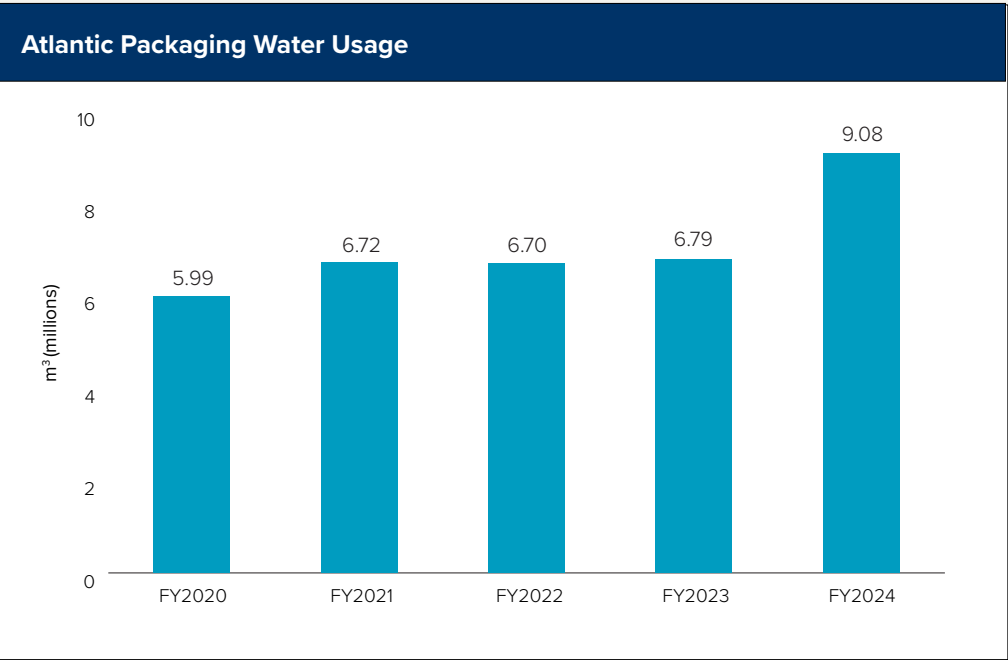


32%

of water at our Whitby mill is recycled for reuse

Based on average consumption at our Whitby mill from January to June 2024.

*Applies to our Ontario and Quebec operations only.

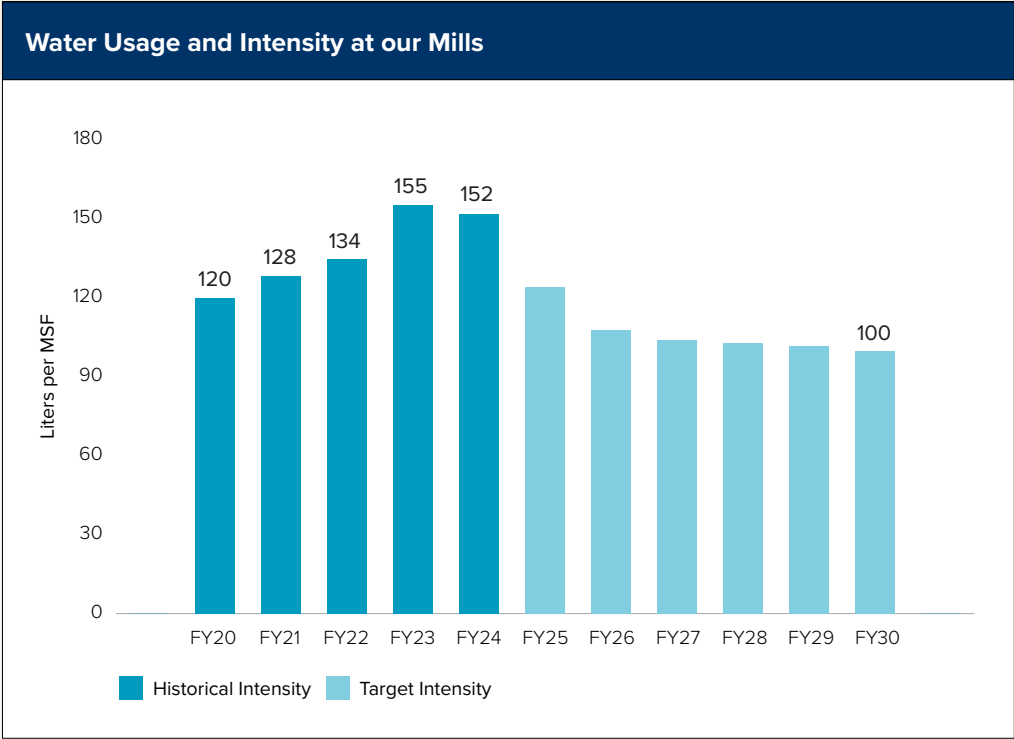


We monitor our processes extensively with multiple meters and conduct flow balances to ensure that we are in control of water usage.

As part of our dedication to sustainability we reuse water as much as possible before we send it to our effluent treatment plants. A Dissolved Air Flotation (DAF) system separates solids and liquids, recovering fibres and clean water which can be reused.

At our largest mill (Whitby) we have achieved additional operational efficiencies and water conservation by installing a brand new effluent treatment system, which takes some of the water used in our production process, treats it, and reuses it. This minimizes the amount of fresh water we draw from the city. With the new system's larger capacity, we are able to treat twice the amount of water than the system it replaced.

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Additionally, improvements to the water treatment system at our New Forest mill are enhancing the quality of discharged water beyond municipal guidelines.

As indicated in the table above, despite increased production levels due to the addition of a new paper machine at our Whitby mill, our water consumption intensity decreased by approximately 2% from FY2023 to FY2024. As we optimize efficiencies at the new mill, we expect our water consumption intensity to significantly reduce over the next few years, as shown in the above graph. However, we are constantly looking for ways to innovate and invest in initiatives that will reduce our water consumption, while allowing us to produce more paper, in order to meet our FY2030 targets.

Measures to Reduce Our Waste

Recycling and using recycled materials as our primary resource are at the heart of Atlantic Packaging’s operating model (see Circular Economy Model, [page 11](#)). We continue to invest in

initiatives to further improve our waste management efforts and to find alternative uses for paper production residuals, so that we can reduce the impact on local landfills.

- Our mills follow a number of quality control processes that help us reduce waste. For example:
- Incoming bales of OCC are graded at the receiving bay and poor-quality bales are rejected.
 - Recent investments in monitoring tools, such as online freeness and fibre testing systems, enhance yields and efficiency while reducing waste
 - Advanced event-capturing systems are used to track defects, alongside chemical usage monitoring systems

We have also partnered with some of our customers to offer a service to collect their scrap paper. This material is then re-used by us as an input into our manufacturing process. This program supports these customers in their own circularity journeys, while relieving them from the burden of disposal costs. Additionally, we are actively exploring opportunities to repurpose our non-fibrous residuals at downstream facilities to divert them from landfills.

What Happens to Our Waste



37% is used for on-site energy generation.

Waste from our production process is used as fuel in our fluidized-bed boilers at two of our mills. The heat generated from this process creates steam to dry paper at our mills. The ash created as a by-product of this process is sent to cement plants for their production.



Biodegradable waste that can be redirected to our waste-to-beneficial use program is sent to local farms for various uses, such as animal bedding.

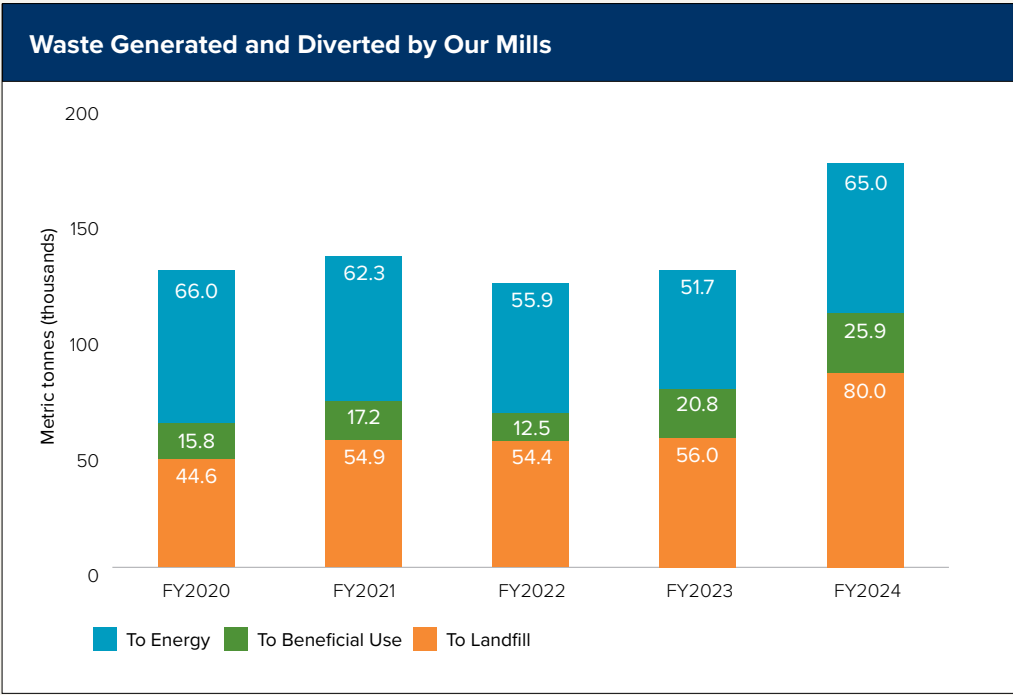


Remainder goes to landfill.

Only waste that cannot be used for energy or beneficial use is sent to landfill, and we have been continuously working to reduce this amount.

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Our work to find new ways to divert waste from landfill is ongoing. In 2023, for example, we installed heavy duty plastic granulators to shred plastic waste, and we have a partnership in place to sell the plastic to third-party companies for energy production in their processes. We will continue to explore new and innovative technologies that can further augment our waste reduction and energy generation efforts to support our mills.

2030 Goal

Reduce waste intensity (per MSF) at our mills by **20%**

These efforts are aligned with our corporate goal of reducing our waste to landfill intensity at our mills by 20% by FY2030 so that for every 1,000 square feet of paper we produce, we generate 20% less waste.

With increased company growth comes increased waste generation. This trend can be seen in the chart above when comparing FY2024 to our baseline year FY2020. While we strive to channel most of our waste into the first two pathways (energy and beneficial use), this is not always possible because the waste needs to meet certain conditions. During the commissioning of the new Whitby paper machine in FY2024, these conditions could not be met and landfill

was the only acceptable pathway. However, once the new machine is fully tuned, 13% of waste should be recoverable for energy or beneficial uses.

We continue to invest in advanced machinery at our mills in search of new ways to gain further operational efficiencies that support both our business objectives and our environmental goals. For example, we are capitalizing on the advanced capabilities of the new paper machine at our Whitby mill to make better use of recycled materials by manufacturing a lightweight, robust paper that requires less raw material to produce the same volume. We are also researching innovative solutions to prioritize design efficiencies that will result in waste reduction at our new Ancaster converting plant.

These are just some of the many examples of how we seek to reduce or reuse waste byproducts of our processes, and we will continue to pursue additional opportunities.

Accountability for Our Environmental Initiatives

Our environmental sustainability endeavors are grounded in our customized Environmental Management System (EMS). The EMS establishes processes, checks, and balances aligned to recognized principles, such as ISO 14001. We ensure transparency and accountability in all our environmental initiatives through regular internal and external audits and site assessments, quarterly reporting to senior management and our Board of Advisors, and diligent regulatory reporting.



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People and Communities: Caring for Our Employees and Communities

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Health, Safety, and Well-Being, along with Employee Experience, are the cornerstone elements of the People and Communities social impact pillar.

Our Health and Safety mission is to prevent accidents, incidents, and reduce risk to as low as reasonably possible during all activities at our sites. Promoting health and safety is one of the many ways that we care for our employees, in addition to caring for their mental health, encouraging professional education, and fostering a work environment that is diverse, inclusive, and respectful of all team members.

We also recognize the importance of caring for the communities in which we live and work. Atlantic Packaging has a robust community-giving program which supports numerous agencies and not-for-profits through corporate giving and employee fundraising activities.

Our initiatives in this pillar fall under the UN Sustainable Development Goal 10, Reduced Inequalities.



The initiatives in our People and Communities pillar align with our core purpose of putting customer experience first and foremost. When employees work in a healthy and safe environment, they have higher engagement levels, and an engaged workforce is motivated to go above and beyond in delivering on customer needs – the cornerstone of an enhanced customer experience.

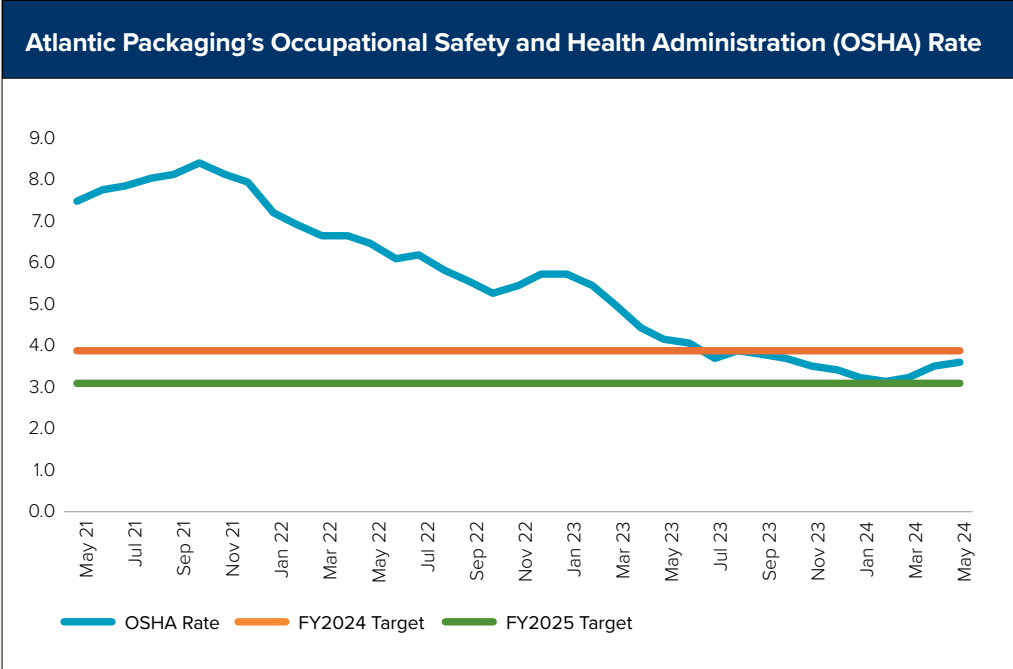
Promoting Employee Health, Safety, and Well-Being

At Atlantic Packaging, we genuinely stand behind the core value, “Our people are our family.” That means we treat employees as we would a family member: with respect and dignity, and by caring for their health and well-being, supporting their career aspirations, and creating a positive and supportive environment.

Health and Safety Performance

For occupational health and safety, we have focused on making improvements to our training programs in Lockout/Tagout, Personal Protective Equipment, Safety Culture, and Health and Safety.

Our new state-of-the-art facility in Ancaster, which begins commissioning in late summer 2024, as well as our York Container facility in Elgin, Illinois, have been designed to improve workplace safety. They will eliminate roller conveyors (which will reduce slips and falls), segregate forklift and pedestrian traffic (which will eliminate most mobile equipment serious injuries), and eliminate the manual packing of finished product (which will reduce sprains and strains).



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Atlantic Packaging has set a challenging target to reduce workplace injuries by 50% or more over the next three years as measured by the normalized OSHA rate (following U.S. standards). In the past year, we made significant strides towards achieving this goal and achieved a 13% reduction in our total recordable incident rate, surpassing our target of 3.79 and achieving a company-wide rate of 3.55.

In 2023, our Ontario paper mills and our box plants participated in the Workplace Safety and Insurance Board (WSIB) Excellence Program. This program helps make our workplace safer by providing us with data-driven insights into industry-specific health and safety

best practices. Our focus areas were Risk Assessment, Confined Space, Contractor Health and Safety, Control of Documents,

and Leadership and Commitment. In 2024, we will continue building on our progress with a focus on three areas: Health and Safety Communication; Emergency Prevention, Preparedness and Response; and Return-to-Work Program Requirements, Roles, and Responsibilities.

2030 Goal

Achieve OSHA rate of **1.89**

2030 Goal

Maintain our record of **0 fatalities**

TOTAL RECORDABLE INCIDENT RATE

3.79
Target rate

3.55
Actual company-wide rate

CONTINUING TO MAINTAIN A 0-FATALITY RATE

0
Target and actual



How BlackHawk Achieves a Zero Incident Record

BlackHawk Corrugated in Carol Stream, Illinois had zero OSHA Recordable Incidents during FY2024. Our team’s continued success lies in the communication of safety through mandatory weekly crew meetings, where program and training topics are discussed and documented. The quiet meeting space allows for the presentation of both video and lecture on a scheduled weekly safety topic, and provides employees with an opportunity to ask questions and discuss the topic and how it relates to their workplace and home life. The agenda also includes a review of KPIs, including quality, waste, production, and maintenance. Running safely and efficiently with little downtime during a shift keeps the BlackHawk Team as close to the process as possible. Weekly crew meetings afford the opportunity for employees to discuss their concerns with management, supervisors, maintenance, and their peers so that issues can be dealt with immediately rather than developing into hazards or unsafe factors in the workplace.

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Supporting Employee Well-being

In fall 2023, Atlantic Packaging introduced a company-wide workplace well-being program. This involved setting specific well-being goals for 2024, which are consistently tracked. These initiatives included rolling out an Employee Assistance Program (EAP) in Ontario (an EAP was already operational in Quebec and at several of our U.S. sites). An EAP is a confidential service that supports mental health and well-being. It provides professional counselling services to employees experiencing personal challenges such as mental health issues or stress caused by family situations such as divorce or elder care. Our 2024 goals also included heightening our focus on mental health awareness and respect in the workplace.

Promoting Diversity and Inclusion in the Workplace

At Atlantic Packaging, diversity, equity, and inclusion (DEI) are fundamental pillars that drive our culture, innovation, and success. We believe that a diverse and inclusive workforce not only reflects the world we live in but also provides us with a competitive edge in today’s global marketplace.

We celebrate and welcome the diversity of all employees, stakeholders, and partners. Our Core Values and Code of Conduct foster an environment that respects people’s dignity, ideas, and beliefs. We demonstrate our commitment to this goal by providing a supportive work environment and a culture that welcomes and encourages equal opportunities for all employees.

Our recruitment and talent management practices, employee development programs, and community engagement initiatives also demonstrate our commitment to DEI. We strive to create a workplace where all employees feel valued, respected, and empowered to bring their authentic selves to work.

As part of our DEI initiatives, we provide training programs on unconscious bias, cultural competency, and inclusive leadership to ensure all employees have the knowledge and skills to contribute to a respectful and inclusive work environment. We have also formed partnerships with external organizations that promote diversity and inclusion within the industry and beyond.

We are currently working to create employee resource groups to provide a platform for employees to connect, support each other, and advocate for specific communities within the organization.

We recognize that our journey towards greater diversity, equity, and inclusion is ongoing, and we are committed to continuously improving our practices and policies. By fostering a culture of belonging and embracing differences, we aim to create a workplace where everyone can thrive and contribute to our shared success.



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Our First Employment Equity Survey

Fiscal 2024 marked a significant milestone with the completion of our first employment equity survey. The survey helped us to gather valuable insights into the composition of our workforce and identify areas to enhance diversity and representation within our organization. We have internal DEI targets and we will continue investing in training and other initiatives to continuously improve and meet those targets. As an example, Atlantic Packaging has approximately 24% women in senior leadership roles with a goal to reach 40% by 2030. Additionally, our survey responses indicate that LGBTQ2S+ representation is around 3% in FY2024, and we will continue efforts to increase this representation and foster a more inclusive environment.

Learning to Counter Unconscious Biases

Designing an equitable, inclusive hiring process is critical to building a diverse organization. Recognizing this, we engaged an expert to educate hiring managers, interviewers and recruiters about the barriers that undermine inclusive hiring, and equip them with evidence-based strategies to manage unconscious bias and create a more inclusive experience for candidates.

120

people leaders and hiring teams across Ontario participated in the virtual workshop

Approximately 120 people leaders and hiring teams across Ontario participated in the virtual workshop, which took place over six weeks.

The workshop led to changes in several hiring practices, including updating the language used in our job postings to be more inclusive.



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Creating a Positive Employee Experience

Measuring Employee Engagement

“Our people are our family” is a core value that reflects the critical role our team members play at Atlantic Packaging. Employee engagement is an important indicator of how our team is doing and what support they require to do their best for our customers.

In our last engagement survey, we had a nearly 75% participation rate across Atlantic Packaging in Ontario and 64% across all Atlantic Packaging regions. Our overall employee engagement for FY2024 increased to 3.68 from 3.61 in 2022. Our Employee Net Promoter Score is 12%, up from 8%, which means there are 12% more engaged employees than there are disengaged. While we made progress in the last year, we know that we still have work to do.

Employee engagement is correlated to lower accident and injury rates, lower staff turnover and higher productivity. Creating a great employee experience and positive employee engagement not only benefits employees, it has also been shown to improve an organization’s customer experience. Our leadership team is committed to continuing our efforts to foster a great working environment.



Mapping a Positive Onboarding Experience

Fostering talent is an integral part of our employee experience, and successfully nurturing a skilled and dedicated workforce begins with the onboarding process.

We have developed a comprehensive onboarding program for all employees within Atlantic Packaging, including corporate and production teams. We aim to deliver a consistent, equitable experience and provide the necessary resources to employees from day one. The program includes a wide range of components, including a curated learning pathway tailored to the specific needs of each role and department, overview meetings with experienced team members, and rapport-building sessions with client groups.

By monitoring the onboarding process closely through surveys and touchpoints, we gather feedback from new hires and assess the effectiveness of the onboarding experience for continuous improvement and refinement of the program.

Recognizing Employee Achievements

At Atlantic Packaging, we are committed to fostering a culture of appreciation and recognition that celebrates the contributions and achievements of our employees. We believe that recognizing the hard work and dedication of our team members is not only a way to express gratitude but also a key driver for employee engagement, performance, retention, and productivity.

Our employee recognition initiatives are designed to create a positive work environment where employees feel valued, motivated, and empowered to do their best work. Key components of our employee recognition programs include:

- **Milestone recognitions** to commemorate significant anniversaries in the professional journey of our employees. We are proud that many of our employees have reached significant milestones, with approximately 50 employees celebrating more than 30 years of service in FY2024.
- **Bucketlist Rewards**, a recently launched digital platform where managers and employees can recognize one another’s contributions by awarding points associated



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with core values, to reinforce company culture. Points can be redeemed for rewards such as lunch with the president, a family trip, or a catered lunch for the team.

- **Quarterly and Annual Achievers program**, launched in FY2024, encourages employees to go above and beyond in their role, creating a culture of recognition and a sense of belonging. Each achiever receives 1,000 Bucketlist Reward points. Currently available in Ontario, we also plan to introduce this program in Quebec and the U.S.
- **Employee Appreciation Week** was held for the first time in 2024, with events at all regions and sites across Atlantic Packaging. The event was a resounding success in fostering a culture of gratitude, teamwork, and camaraderie among our employees.

Our Bucketlist Reward program has proven to be extremely popular in Ontario, with a 70% participation rate. Numbers in our other regions are lower due to later rollouts and fewer program features being available. However, we are working on making enhancements to the Quebec and U.S. programs and relaunching in the U.S. to improve participation.

Investing in recognition initiatives helps us acknowledge and reward our team members for their dedication to the company’s mission and values. This fosters a positive workplace culture where everyone feels appreciated, motivated, and inspired to contribute to our organization’s success.

Our Talent Management Process

PerformEX is Atlantic Packaging’s talent management process for all salaried employees. It is designed to boost performance, productivity, and alignment with annual objectives while upholding core values. The model highlights the key elements focused on developing employees’ skills, knowledge, and abilities to meet business needs while adhering to our core values. It provides a structured approach for managers and employees to collaborate, identify strengths and areas of growth, and align efforts with strategic priorities.

70%
participation rate for
Bucketlist employee recognition
program in Ontario

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Creating a Learning Culture

Atlantic Packaging’s learning and development platform, TalentCentral, fosters continuous learning and skill development among Ontario employees with easy access to training materials anytime, anywhere. With approximately 1,000 courses available on topics from safety training to software skills, TalentCentral offers a diverse range of learning opportunities to cater to the varied needs and interests of employees across different roles and departments.

The platform encourages self-directed learning and empowers employees to take ownership of their personal and professional development. The reporting and scorecard features track employee progress and performance, allowing for better monitoring of learning outcomes. In addition, TalentCentral provides comprehensive insights into company policies, procedures, and culture, and streamlines compliance training delivery by ensuring up-to-date content and tracking capabilities.

TalentCentral is a valuable tool that promotes a culture of continuous learning, skill development, and safety, and ultimately contributes to the growth and success of both employees and the organization as a whole.

We anticipate introducing TalentCentral to our Quebec and U.S. employees in FY2025.

Educational Financial Assistance

Atlantic Packaging’s Education Financial Assistance program supports employee learning and development by providing financial support for full courses or programs at recognized educational institutions. This program ensures that employees have access to meaningful and comprehensive learning experiences that align with their professional goals.

Application of the program is guided by the Education Financial Assistance policy, which outlines clear objectives and provides a structured framework that guides managers and employees through the process of exploring educational opportunities and assessing the potential impact on job performance and career progression. Through this policy, Atlantic Packaging not only fosters employee learning and development, but also upholds consistency and fairness in program administration.

This initiative underscores the company’s unwavering dedication to invest in the growth and professional advancement of our employees.

As one participant stated, “Atlantic Packaging’s investment in my education and professional development has been invaluable. Through their support, I’ve achieved the Compensation Analyst Credential and am working towards the CCP designation. This has not only strengthened my skills but also enabled me to contribute significantly to the company’s growth and success.”

As one participant stated, “Atlantic Packaging’s investment in my education and professional development has been invaluable.”



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Giving Back to Our Communities

Our philanthropic work is a core part of who we are as a company. Atlantic Packaging has a rich history of making a positive impact in the communities where we live and work by giving back to worthwhile charities and organizations. Because of our geographical diversity, our companies and regions select the causes they wish to support through fundraising and employee volunteering to make a difference in their communities. Following are some highlights of our regional involvement.

Quebec

In FY2024, our Quebec team members and businesses made generous donations to a number of charities in the province. They have been donating to these organizations on a regular basis and have developed strong ties to the organizations, which include:

- **Sports Montréal and La Course Des Chênes-Toi** – as a major sponsor and supporter through social media of Sports Montréal, we participate in the annual race to raise money for the elementary and secondary schools of Drummondville. In FY2024 we had a great turnout, with 76 local Mitchel Lincoln employees running for the cause.
- **Royal Victoria Hospital** – we have been donating since 2014.
- **Multiple Sclerosis Foundation** – in addition to making a financial donation each year since 2015, we provide corrugated displays for events.
- **Montreal Oral School for the Deaf** – we have been donors for the past five years.
- **René-Verrier Foundation** – we have been a supporter of this organization, which provides palliative care to people with terminal illnesses, since 2018. Team members take part in the foundation’s white ball and golf tournament and sponsor other events, with increasing involvement over the past two years.
- **Food Banks** – we support organizations that combat food waste and address food insecurity in the communities where we operate.

La Course Des Chênes-Toi – race to raise money for the school board of elementary and high schools of Drummondville. 76 employees of Mitchel Lincoln Drummondville participated.

United States

Our U.S. businesses are ardent supporters of their communities. Champion Container group regularly donates back-to-school items to local charities for children in need. As well, in FY2024, Skybox Packaging hosted a day for local at-risk youth that showcased potential career opportunities they may not have otherwise considered. They toured our facility, participated in hands-on projects, and saw first-hand how their schoolwork was relevant to real-life situations. The company also hosted a tour for local school superintendents, with the goal of boosting economic growth in the county. This meeting helped strengthen the partnership between manufacturing and education and promoted trade school education, to boost our pipeline of skilled talent.

York Container is a regular participant in many community fundraising events. In FY2024 they supported:

- **United Way** annual fundraiser.
- **Toys for Tots**, a U.S. veteran program started by an Atlantic Packaging employee who is an ex-marine.
- **Pink Out for Hope** fundraiser to support breast cancer research.
- **Warm clothing drive** to collect hats, scarves, and gloves for local people in need.



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Ontario

One of the primary beneficiaries of Atlantic Packaging's Ontario fundraising activities is the Juvenile Diabetes Research Foundation (JDRF), the leading global organization funding research for Type 1 Diabetes (T1D). For more than 26 years, Atlantic Packaging has supported JDRF in a notable example of corporate social responsibility and community collaboration.

In June 2023, 60 team members and their families took part in the JDRF Walk to Cure Juvenile Diabetes. Many of those who were not able to walk sponsored their colleagues for the event. Atlantic Packaging matched all money raised by employees dollar for dollar.

Since 2019, Atlantic Packaging has pledged and met its goal of donating \$1 million dollars to this worthy cause.

This partnership has significantly improved the lives of many individuals with T1D by enhancing care access, promoting education and awareness, and empowering people to better manage their condition for healthier, more fulfilling lives. All of this has been made possible due to the significant advocacy

and fundraising efforts of our Quebec employees at Mitchel Lincoln. Our unwavering support at all levels of the company demonstrates the strength of our commitment to making a positive impact in the community.

Respecting Our Neighbours

We understand that some of our residential neighbours may be concerned by seeing the harmless steam which is released from our mills during the production process.

In our desire to be a good community partner, we are currently working on a Plume Reduction project, which will recover heat from the steam generated during production and reuse it in our processes.

We see this project as an opportunity to work with local communities, such as the condominium developers, and take proactive steps to address community concerns. We anticipate this Plume Reduction project will be online by mid-2026 at our New Forest paper mill.



Welcoming Newcomers

At Atlantic Packaging, we are dedicated to supporting our communities and addressing urgent needs. Recently, we have reached out through various channels to assist those fleeing the war in Ukraine. We are thrilled to welcome three new team members from Ukraine, including Andriy Husynka, who joined us in early 2023. At Atlantic Packaging, we not only welcomed Andriy to one of our mills but his team also rallied to raise funds for essentials needed by his family upon their arrival in Canada in March, after being separated for over a year. To further support Andriy, the company matched the funds raised by his colleagues. In addition, we remain committed to community support by matching employee donations to relief efforts and actively recruiting individuals affected by the war through job fairs aimed at assisting Ukrainians fleeing the conflict. Welcome to the Atlantic Packaging family, Andriy and your loved ones!



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Academic Scholarships

Atlantic Packaging’s Academic Scholarship Program highlights our commitment to investing in the future of our employees and communities by supporting the academic and professional growth of future leaders. This program is available to all full-time Atlantic Packaging employees and their children who are applying to a Canadian institution, provided they have a strong grade point average in their final two years of school.

Each scholarship offers up to \$3,500 per school year, renewable for a maximum of four years, to deserving students. By committing to support these students throughout their entire undergraduate journey, we ensure a lasting impact on their academic and career paths, promoting stability and encouraging academic excellence.

We will be launching the program in the U.S. in FY2025, following its success in our Canadian regions.

In FY2024, we granted scholarship funding to 12 students across Atlantic Packaging. (See photo, below, of some of this year’s recipients from the Ontario region and their parents.) Since the program’s inception in FY2019, we have granted a total of 57 scholarships valued at \$416,500 to talented young students.

The Academic Scholarship Program underscores our broader commitment to community engagement by strengthening ties with employees, their families, and the community at large, and fostering a sense of shared purpose and belonging within the Atlantic Packaging family.

SCHOLARSHIPS

12

Scholarships granted in FY2024

57

Scholarships granted since 2019



Some of the FY2024 scholarship recipients with Vice Chairman of the Board David Boles and Miray and David Granovsky.

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Responsible Management: Overseeing a Strong and Sustainable Company

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The Responsible Management pillar of our Environmental, Social, and Governance (ESG) strategy is aimed at ensuring that our company operates ethically, in support of our ESG goals, and in such a way as to ensure our longevity and success as a full-service packaging provider. This pillar includes three Areas of Focus from the materiality assessment: ESG Engagement, Governance and Accountability, and Business Resiliency. By ensuring a robust and responsible approach to all of these focus areas, we ensure that our customers enjoy a long-term partnership with a reliable and trustworthy company. Our work within the Responsible Management pillar aligns with UN Sustainable Development Goal 16, Peace, Justice, and Strong Institutions, which involves building effective, accountable, and inclusive institutions at all levels, and Goal 12, Responsible Consumption and Production.



We understand that our customers are under increased scrutiny regarding their suppliers and how they are managed. Our Responsible Management program aims to reduce this risk by ensuring we are ethical and well-governed. Within this pillar, we focus on creating an organization that remains consistently customer-focused and engaged with ESG initiatives. We are committed to following best practices for accountability and have formalized processes for risk analysis and management. With these measures in place, our customers can have confidence that they are partnering with a supplier who prioritizes ethical standards and effective governance.

Fostering a Culture of ESG Engagement

As part of our materiality assessment, Customer Experience was identified as an area of importance for both our stakeholders and our company. Customer satisfaction has always been a central goal of our organization, and as a trusted partner we always strive to meet or exceed our customers' expectations. In recent years, customer focus on ESG objectives has increased, and we want to ensure that we can meet their expectations regarding ESG at all levels of our organization. For this reason, we have identified ESG Engagement as a key Area of Focus within the Responsible Management Pillar. Our work in this area encompasses internal training, customer engagement, external ESG outreach, and conducting ESG standards assessments.

Following our materiality assessment, we took stock by conducting an assessment of our employees' knowledge and understanding of ESG-related topics. This involved talking to account executives, customer service coordinators, designers, quality managers, and other staff members about their own ESG needs and those of their customers. This groundwork uncovered key strengths and gaps, including opportunities where we need to feel more confident discussing ESG-related topics with customers.

Using the findings from this assessment, we developed a training program, which has been incorporated into our high-level corporate ESG Roadmap. This training is designed to enable customer-facing employees to speak clearly and consistently to our customers about our ESG programs and offerings, and to help all employees understand their role in the delivery of ESG-aligned products and services. This training also aims to bring to the forefront Atlantic Packaging's rich ESG history and the many ESG initiatives we have been working on over the years, to ensure they are recognized and celebrated both within our company and beyond. With a well-informed staff, we will be better equipped to respond to inquiries about ESG topics from customers and the public.

Later this year, we will gather additional customer feedback through interviews and surveys to gain an even deeper understanding of their needs, which will guide us in the development of new services, tools, and materials. Our intention is to use this process to create an internal and external feedback loop so that we can continue our ESG journey in a customer-centric fashion.

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A Sound, Transparent Governance Structure and Accountability Framework

The governance structure of a corporation instills accountability at the highest levels of the organization for informed decision-making, regulatory compliance, and grounded business practices aligned to sustainability objectives. The Board of Directors (BoD) plays an integral role in setting direction and having oversight on the guardrails that protect and advance our ESG initiatives. Atlantic Packaging also has a third-party Board of Advisors (BoA) who advise the BoD and are fully independent. They bring specialized knowledge and experience, ensure an objective perspective, and provide enhanced credibility to the company’s overall governance.

Accountability reflects our corporate responsibility to both advance our ESG initiatives and measure our progress in achieving these commitments. Accountability is rooted in our culture, based on the high standards we practise and our company’s Core Values, where we hold one another to account for informed decision-making and ethical business practices.

Good Governance Supports Our ESG Initiatives

By providing objective oversight, our Board of Directors ensures that management is advancing the company’s ESG initiatives and complying with regulatory requirements. The composition of the Board also reflects ESG diversity principles, which are measured as part of Atlantic Packaging’s ESG Sustainability Scorecard.

The Board has three long-standing Committees that were established as per the corporate Charter and advisory mandates. These Committees meet regularly, with standard agenda topics covering ESG principles and performance and oversight into these matters. They review management’s sustainable business activities and performance reporting and assist the Board of Advisors and Board of Directors in fulfilling their oversight responsibilities.

- The **Audit Advisory Committee** holds quarterly reviews concerning Code of Conduct, whistleblower matters, and the mandatory quarterly Governance and Compliance Checklists, which are completed by members of the executive team.
- The **Management Resources & Compensation Advisory Committee** (MRAC) carries out ESG-specific mandates, which include diversity and inclusion, health and safety, performance management, and employee engagement.
- The **Governance & Nominating Advisory Committee** (GNC or “Governance and Compliance”) reviews the ESG program, ensuring that management is taking the appropriate actions to drive results and meet targets. Responsibilities include overseeing compliance with internal policies and external regulatory requirements, monitoring management compliance, and conducting periodic reviews of the Code of Conduct and other policies.

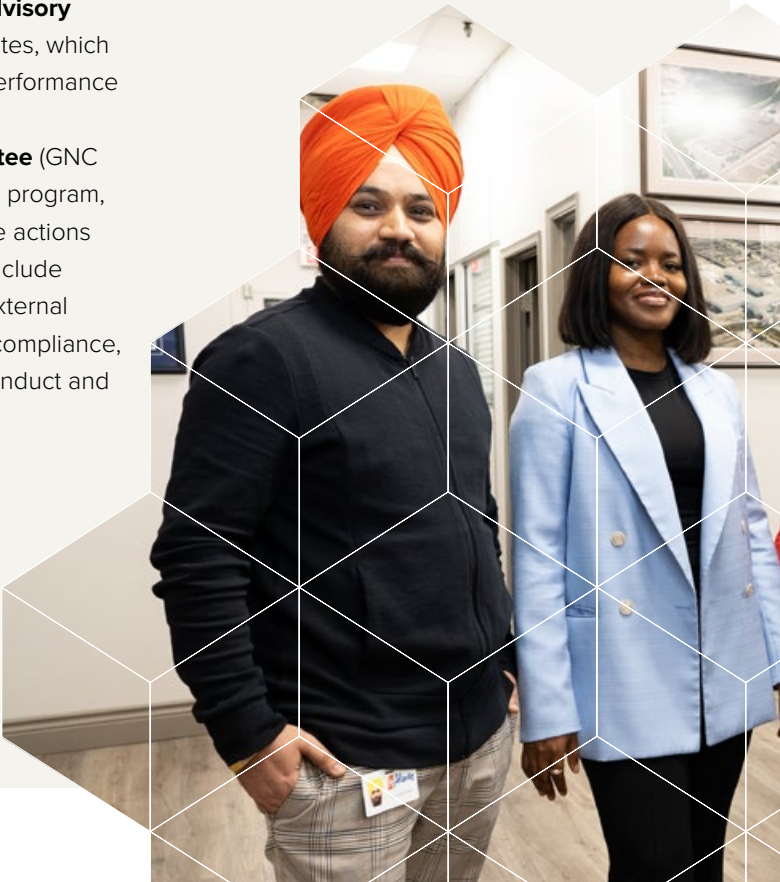
INDEPENDENT BOARD ADVISORS

4

BOARD DIVERSITY

42%

of BoD and BoA are women



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There are also several management committees that support sustainable business activities and performance reporting:

- The **ESG Management Committee** is responsible for ESG sustainability reporting, target-setting, and broader engagement throughout the enterprise for sustainability initiatives.
- The **Risk Management Committee** is responsible for risk-informed assessment and advising for the purpose of increasing the enterprise’s short- and long-term value to its stakeholders.

- The **Senior Leadership Team** (SLT) has accountabilities encompassing (but not limited to) production, quality, safety, and environmental management performance. These are monitored and managed through weekly meetings and timely information sharing.

In addition, numerous corporate governance policies provide direction for specific business operations and decision-making situations to bolster our sustainability initiatives and posture. Our corporate governance policies are based on the tenets of accountability and responsibility and are aligned with our sustainability pillars and focus areas.

Atlantic Packaging’s Governing Policies

- | | |
|---|--|
| Accessibility Policy | Human Rights Policy |
| Anti-Corruption Policy | Information Classification Policy |
| Business Continuity Policy | Infection Control Policy |
| Code of Conduct & Whistleblower Policy | OHS Mission Statement |
| Code of Ethics | Physical Demand Analysis (PDA) Policy |
| Corporate Health & Safety Policy Development & Review | Purchasing Policy |
| Corporate Plant and Safety Rules | Risk Management Policy |
| Customer Service Accessibility Policy | Training Policy |
| Diversity and Inclusion Policy | Workplace Health & Safety Roles & Responsibilities |
| Education Assistance Policy | Workplace Harassment Policy |
| Environmental Policy | Workplace Violence Policy |
| Hazard Alert Policy | Workplace Well-Being Policy |
| Health and Safety Policy | |

COMPLETION OF CODE OF CONDUCT TRAINING

Ontario: Completion of Code of Conduct & Anti-Corruption training



Quebec: Completion of Code of Conduct training



U.S.: Completion of Code of Conduct training

EXPECTED LATER IN 2024

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How Our Accountability Culture Benefits Customers

At Atlantic Packaging, accountability is founded on our culture of embracing high standards – as defined by the Core Values (see [page 7](#)) that underpin our ethical conduct and our culture of integrity – to better serve our customers.

The Atlantic Packaging Code of Conduct requires that our employees exercise the highest degree of ethical conduct on behalf of the company. Our Core Values are an integral part of the Code of Conduct, which also encompasses anti-corruption and anti-bribery principles and describes the processes for handling misconduct and the consequences. In addition, the Code of Conduct establishes a Whistleblower Hotline where any concerns can be raised without retaliation. By taking steps to ensure our employees and our suppliers are meeting our standards, we provide our customers with the reassurance that we are acting responsibly within our supply chain.

To measure our ESG success in accountability, we consider the percentage of the workforce (defined by total Full Time Equivalent [FTE] headcount) that has formally certified compliance with our Code of Conduct. This is measured and monitored by management.

As well, third-party suppliers are expected to abide by Atlantic Packaging’s enhanced [Supplier Code of Conduct](#), which includes anti-corruption principles and direction to uphold ESG values

throughout the supply chain. In the past year we also launched a new [Supplier Informatve](#) on our public website, with the goal of raising the awareness of our existing business partners and prospective suppliers about the importance of principles and practices to support accountability, sustainability, and resiliency across supply chains. Atlantic Packaging applies our Core Values in working with our supplier partners, and we expect our suppliers to reciprocate as responsible partners fostering sustainability in our shared supply chains. Supplier alignment to Atlantic Packaging’s Supplier Code of Conduct or relative equivalent is also monitored by management.

In addition, ESG Scorecard measurements pertaining to Accountability are threaded throughout all other sustainability pillars.

Accountability is also founded on our commitment to informed decision-making based on sound, ethical principles and integrity-based action aligned with our Code of Conduct.

NUMBER OF SUPPLIERS ALIGNED TO SUPPLIER CODE OF CONDUCT

437



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Creating Business Resiliency for Sustained Success

Business Resiliency is an essential commitment under our sustainability pillar of Responsible Management. Business Resiliency represents the ability of the enterprise to withstand change or circumstances that may disrupt business essential operations and functions. A resilient enterprise fosters a risk-aware culture with ongoing risk management practices to enable risk-based decision-making. It also forges responsible business partnerships and bolsters agility so we can more easily adapt to or recover from conditions that pose a threat to critical business operations.

Atlantic Packaging’s Business Resiliency program comprises three key components:

Enterprise risk management (ERM) governance and management practices demonstrate our commitment to protecting our customer relationships, personnel, partnerships, and business assets from unexpected loss.

Third-party risk management, and expanded procurement risk assessments, combine to form a key lever to elevate sustainability awareness and commitments with our business partners and to reduce supply chain risks.

Business continuity management (BCM) demonstrates our commitment to protecting our customers, employees, partnerships, assets, and reputation with business continuity planning (BCP) and practices to enable the organization to provide for the continued availability of priority business operations in the case of disruption.

These management systems complement one another and together they support Sustainability Development Goal 12, Responsible Consumption & Production, by promoting sustainability in supply chains.

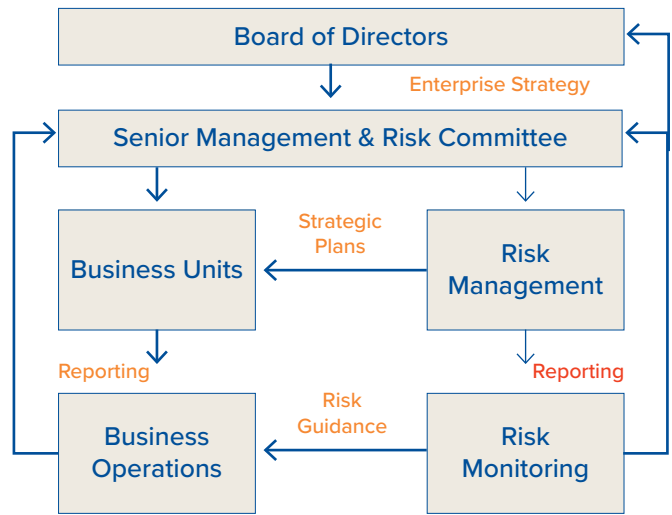
Implementing Enterprise Risk Management (ERM)

Risks are inherent in our business activities and can have consequences in terms of strategic goals, business performance, supply chain dependencies, compliance with laws and regulations, and ESG priorities and commitments. To manage risk, Atlantic Packaging has invested in establishing an ERM system that sets direction with a governing policy.

The COSO ERM Framework to Manage Risk

Risk management is best practised at all levels of the organization.

From the Board of Directors and with the governance and direction set by senior management, all business units and teams are enabled and empowered with a risk management mindset to apply risk management in day-to-day activities to support business objectives and core values.



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The ERM process and governing risk management policy align with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Framework. ERM objectives include:

- setting direction to achieve a common risk view
- fostering a culture of risk management awareness
- enabling risk-informed business decision making
- leveraging risk assessment to enable change and dependency management
- establishing a risk management framework to apply risk management practices across business units.

The ERM system formalizes risk management and oversight, risk register monitoring, and risk assessment and reporting.

Managing Third-Party Risk

Third-party risk management is essential for sustained and effective business resiliency. It recognizes the interdependencies and complexity of business relationships across shared supply chains.

In the past year, Atlantic Packaging established an enhanced, structured approach for performing supplier risk assessments. This involved mapping suppliers by procurement categories and conducting internal assessment of third-party risk areas including sole sourcing, new supplier selection and due diligence, supply chain disruptions due to strikes, and risks of forced labour and child labour in supply chains.

Supplier risk assessments are now part of our RFI/RFP due diligence process and are integrated into the new supplier selection process. We plan to roll out similar assessments in Quebec and the U.S. beginning in Q4 of FY2025. Risk assessments raise awareness of the prevention and reduction of risks around forced labour and child labour in global supply chains and help us assess the controls posture of direct suppliers. Risk assessments are also being used to better understand contingency plans of critical suppliers that may be impacted by potential strikes.

SUPPLIER RISK ASSESSMENTS

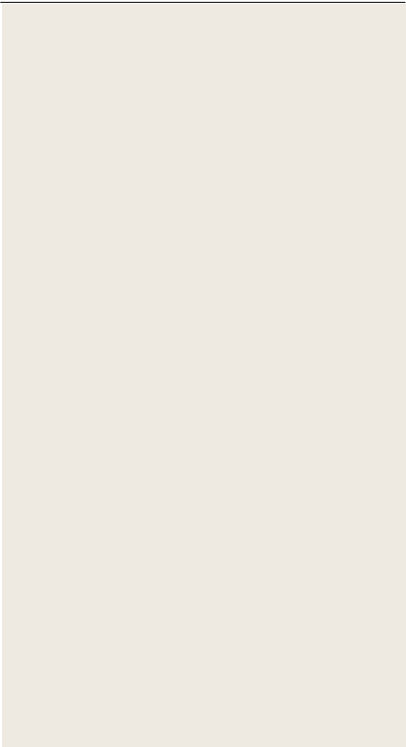
In Ontario,
32
supplier risk assessments
were performed

In Quebec,
16
supplier risk assessments
were performed



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Business Continuity Measures

Atlantic Packaging has invested in an enhanced Business Continuity Management system, which is outlined in the diagram below. This system is essential for sustained and effective business resiliency to protect our customers, personnel, partnerships, and assets. It includes business continuity planning (BCP) and practices that enable our organization to provide for the continued availability of priority business operations in the case of disruption.

Our enhanced Business Continuity Management system provides two significant benefits:

- It ensures business continuity and operational resiliency with an Enterprise Risk Management system that identifies, evaluates, and actively manages risks.
- It enables operational business resiliency with proactive plans, education, and training, and periodic BCP testing and reporting.

In today’s ever-changing risk landscape, we will continue to evolve our enterprise risk management and business continuity management systems, as part of our commitment to be a reliable and resilient business partner and provider of corrugated packaging services.

Atlantic Packaging’s Business Continuity Management System	
Policy	Sets direction in terms of business continuity management, in the event of a critical incident or event that causes material impact to the normal course of business operations.
Program Framework	The BCP Toolkit, or business continuity framework, includes guidance, templates, and standards for BCP reporting.
Program Implementation	Involves rolling out the BCP Toolkit to sites, with delivery of BCP awareness training and BCP testing.

BUSINESS CONTINUITY

BCP testing, with a documented BCP Test Report was completed at

6 sites

The minimum target set for BCP testing is

4 sites



Always Meet Customers' Expectations



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