

U.S. AND CANADA

Sustainability Report 2020: Supplement



MESSAGE FROM THE U.S. AND CANADA MARKET PRESIDENT AND CEO



In January 2020, I returned to the United States from Asia, where I was most recently serving as the Managing Director for Tetra Pak Vietnam. The opportunity to lead Tetra Pak's business in the U.S. and Canada — one of the fastest growing markets in the company — was truly exciting. But, like most, I could not have anticipated what this first year would bring.

The COVID-19 health crisis has changed how we live and how we work. It has also given even deeper meaning to our brand promise, PROTECT WHAT'S GOOD™, which translates to protecting food, protecting people and protecting futures.

The health and safety of our employees is our top priority and remains critical in our ability to support our food and beverage customers. In addition to observing our existing safety standards, we've established rigorous protocols to guide decision-making as we serve our customers.

Thanks to our dedicated team of employees, we have continued to provide packaging, processing and services solutions to our customers, who have kept food and beverages stocked and available throughout the pandemic. This is an accomplishment we are very proud of and one that demonstrates our brand vision in action — *we commit to making food safe and available everywhere.*

COVID-19 has also challenged the momentum of the world's focus on our planet and the environment. The pandemic has led to suspended recycling programs in major cities, and countries around the world are reporting an increase in litter from single-use personal protective equipment. Despite these temporary external setbacks, we remain steadfast in our promise to protect the future of the planet. We have an incredible portfolio of sustainability-focused solutions

designed to transform the industry, and we remain committed to helping our customers and communities achieve their sustainability goals. In the last year, we've continued to take significant steps in all areas of our business to move us toward the commitments we have made.

Finally, the positive work we are doing every day would not be possible without our people. We've continued our efforts to provide education, support wellbeing, strengthen our communities and encourage diversity and inclusion. Protecting people is what creates an extraordinary company and allows us to fulfill our brand promise.

The following pages of this report supplement provide additional context about the actions our market company has taken to further our sustainability journey in the last 12 months.

It is an honor to be a part of this market and to share just a few examples of how we protect what's good.

Jeff Fielkow
President and CEO, Tetra Pak U.S. and Canada

FACTS & FIGURES

A round-up of key numbers from across Tetra Pak U.S. and Canada in 2019

5

production plants



11,000

processing units in operation



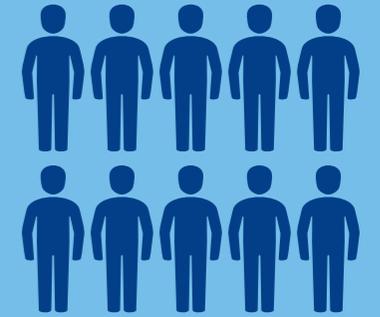
6

sales offices



252

packaging machines in operation



1,565 employees

10.7 million

Tetra Pak® packages sold in 2019





Food security

As part of the Tetra Pak U.S. and Canada Market Company Kick-Off at the beginning of 2020, employees packed 150 backpacks with food.

The backpacks were donated to Communities In Schools of North Texas, a nonprofit organization dedicated to supporting at-risk youth by providing them with a community of support and resources to help them stay in school and work toward achieving a promising future.

The backpacks were then distributed to participating students to ensure they have enough food to eat on the weekends, when they are not being served by in-school feeding programs.



150

backpacks full of food
donated to children

UPDATES IN THE PILOT PLANT

In the fall of 2019, the Denton Pilot Plant celebrated 20 years of operations with renovations and the installation of new equipment, reaffirming our commitment to food safety. The lab received equipment to provide a state-of-the-art experience for our customers, as well as additional tools to enhance quality assurance. These improvements also support plant technicians in their work with customers to enrich formulation prototyping. Aesthetic updates included new glass walls and digital screens in the conference room to improve

the customer experience when planning product trials.

The Pilot Plant also developed and implemented a cutting-edge FDA-compliant food defense plan. A food defense plan is a tool used by quality managers to help prevent the intentional contamination of food products. The plan ensures best practices and traceability measures to protect everyone involved in the distribution of products created in the facility.

In cooperation with our sister company DeLaval, the Denton

Pilot Plant tested cleaning agents and regimens that reduced both water and energy usage, allowing the plant to run more efficiently.

Additional environmental benefits include:

- 30% faster CIP (cleaning in place) — about 1.5 hours instead of 2 hours
- 30% less energy used during cleaning
- 30% less chemicals used — this means there are fewer cleaning chemicals that must be neutralized before entering the waste stream

Environmental Benefits of New Cleaning Methods



30% faster CIP
(cleaning in place)



30% less energy used
during cleaning



30% less chemicals
used





PEOPLE

Assisting communities during the public health crisis

Soon after the COVID-19 pandemic began, our parent company, Tetra Laval Group, announced they would be making global donations totaling €10 million to support COVID-19 relief efforts in many of the countries where its three industry groups — Tetra Pak, DeLaval and Sidel — do business.

Together with DeLaval and Sidel, we selected some extraordinary and very deserving organizations to support in the U.S. and Canada. Financial contributions for COVID-19 relief benefited United Way Centraide in Canada, and Direct Relief, Team Rubicon and Feeding America in the U.S. Additional donations were made by Tetra Pak on a local level to support the communities where we operate in the U.S. Seventeen charitable organizations were selected based on employee nominations and vetted to ensure funds would go directly to aid in COVID-19 relief efforts. In addition, we donated 10,000 N95 masks to Direct Relief to provide essential personal protective equipment to health care workers across the U.S.

Core Wellbeing

We continued to build out our Core Wellbeing program, which was initially launched in early 2019. The program’s mission is to help employees and their loved ones achieve, maintain and protect personal health and wellbeing goals so they can protect what’s good for others.

Core Wellbeing offers activities and educational opportunities that support the five pillars of wellbeing: physical, mental, financial, social and community. In 2019, the program included financial planning courses, a community give-back challenge and a step challenge. The step challenge brought together 130 teams of employees in competition to see who could track the most steps for 30 days. In 2020, we held a Snack Attack challenge to encourage healthy snacking. We have also provided resources, at-home activities and seminars during the COVID-19 pandemic to help employees maintain, protect and improve their wellbeing.



Engaging with the next generation workforce

We have actively worked to educate tomorrow's workforce about career opportunities in the food and beverage industry. Students from the University of North Texas and Brigham Young University – Idaho visited our Denton campus to learn more about our mission, operations and opportunities for jobs and internships.

As part of our efforts to engage with the community and build awareness of international business opportunities and our many great career options, high school students from the Dallas/Fort Worth area regularly tour the Denton campus. Since the spring of 2019, approximately 100 students have visited to explore our facilities and to hear directly from our employees about career opportunities.

Further, we welcomed a number of people to our teams in the U.S. and Canada as part of the internship and Future Talent programs in 2019. The Future Talent program welcomed 10 talented and highly motivated new graduates to join Tetra Pak and become the next generation of engineers and leaders in our industry. And 31 college juniors and seniors took part in our internship program, which gave them the opportunity to explore a variety of fields at Tetra Pak, including sales, communications, marketing, supply chain, information management and services. Interns and Future Talent employees were also shown the importance of giving back by participating in a number of community activities.



100

college and high school students visited



10

new graduates hired through Future Talent program



31

college juniors and seniors participated in internship program



Partnering with the community

We continued our strong tradition of supporting community events in 2019. Our employees volunteered to hand out free cartons of water and educate event attendees about the importance of recycling cartons. These events included Denton Main Street Association's Twilight Tunes free concert series, Dog Days of Denton, Denton Wine Walks, Denton Scout Day and National Night Out in Winsted, Minnesota.

We also sponsored the United Way of Denton County Back to School Fair. The sponsorship funded school supplies for underserved students in the area. During the event, we provided free water and educated students and their parents about the importance of recycling cartons at home and at school.

We were the water sponsor for the BMW Dallas Marathon in December 2019, marking our second year sponsoring this event. The BMW Dallas Marathon promotes health and physical fitness with running events throughout the year, with proceeds benefiting the Texas Scottish Rite Hospital for Children. Nearly 25,000 cartons of water with our sustainability message were distributed to runners and spectators over the course of this three-day event held in December 2019. In addition to handing out water, many Tetra Pak employees participated in the marathon.

We faced new challenges when it came to our involvement with community events due to COVID-19. EarthX, an annual event we have participated in every year since 2017, was not able to be held in-person; however, we were able to pivot our participation to their virtual events, such as the EarthX virtual conference and film festival. Further, we are supporting in-school programs for the fall, ensuring we can continue to share our sustainability story.



EDUCATING THE INDUSTRY AND COMMUNITY

We used a variety of venues — both in-person and virtual — to educate the community and the food and beverage industry on topics related to sustainability and innovation.

In collaboration with the Food Dive Brand Studio, we launched a three-part podcast series called “[Unpacking Food Tech.](#)” Each episode featured a Tetra Pak leader and an industry expert in conversation with the Food Dive Brand Studio host to discuss the inside scoop on the circular economy, smart manufacturing and smart packaging, in addition to equipping listeners with easy-to-share messages to foster community engagement. Additionally, Jason Pelz, Vice President of Sustainability

in the Americas, was a guest on the [Earth911 podcast](#), discussing progress in beverage carton recycling.

In the fall of 2019, we welcomed sustainability thought leaders Bob Brinkmann and Alex Magnin to our Denton campus to share how we protect what’s good. Brinkmann, a professor of geology, environment and sustainability at New York’s Hofstra University, and Magnin, a sustainability consultant and illustrator based in Canada, spent a day and a half immersed in our organization. The visit was designed to introduce our commitment to a more sustainable future to Brinkmann and Magnin so they could share this commitment through their respective

digital channels. Each thought leader has a significant audience of sustainability-minded individuals who learned about Tetra Pak through the content Brinkmann and Magnin shared after their visit.

As leaders in sustainability and end-to-end solutions for food and beverages, and as food protection experts and innovators, our team members spoke at a variety of association meetings and conferences. In the past year, our experts have been highlighted at events such as GreenBiz 20, Ethical Corporation, IoT World, Sustainability in Packaging and the International Dairy Foods Association’s Dairy Forum.



[CLICK HERE](#) 

**Bob Brinkmann’s
Tetra Pak blog series**



[CLICK HERE](#) 

**Alex Magnin’s
Tetra Pak video playlist**

BUILDING EMPLOYEE AMBASSADORS

In addition to educating the industry and the general public on sustainability, we championed several efforts in the past year to empower our employees to effectively communicate Tetra Pak's sustainability message to customers, friends, family and the broader community.

In the fall of 2019, we launched the first ever GrowXGood Fest, a special pilot event celebrating sustainability that was hosted at Tetra Pak's Denton campus. The event attracted more than 900 guests, including Tetra Pak employees and their families, and local community, city and university leaders, for a day of learning and fun.

The event featured interactive educational booths, "behind-the-scenes" campus tours, fun activities and a commitment wall where attendees could write their personal commitments to sustainability. In a post-event survey, 100% of attendees reported they had a better understanding of Tetra Pak's sustainability message than before they attended.

Our circular economy and customer sustainability teams also hosted comprehensive trainings for our customer-facing employees in 2019, both in-person and online. The trainings were designed to ensure employees have all the tools they need to help potential customers understand the sustainability profile of various Tetra Pak products and services. Topics included societal sustainability expectations, environmental claims and messaging, our sustainable packaging journey and legislative updates.



Focus on renewability and reuse

Our commitment to renewable energy is a key component of our carbon reduction goals. Our market company operates at 95% renewable energy usage, with the following sites already at 100%: Denton, Texas; Sikeston, Missouri; Vancouver, Washington; Louisa, Virginia; Champlin, Minnesota; Windsor, Wisconsin; and Vernon Hills, Illinois.

Part of our commitment to sustainability includes developing and growing local end-markets for recycled materials. And as the global recycling market continues to change, this role is more important than ever.

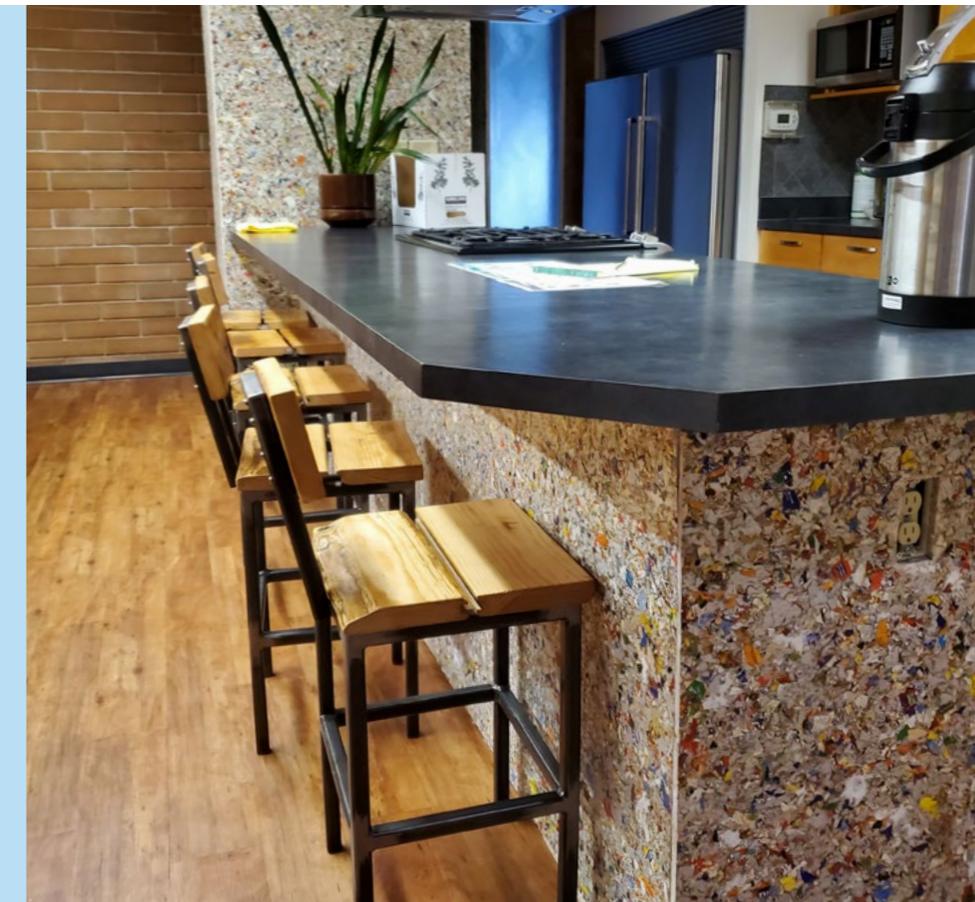
We played a vital role in getting a bill (SB 649) passed in Texas that requires the Texas Commission on Environmental Quality (TCEQ) to look at areas for growth in the state's recycling economy. The bill also calls for a statewide campaign to educate the public about the economic benefits of recycling and proper recycling practices. Through our involvement with STAR, the State of Texas Alliance for Recycling, and its business council, we helped draft the language of the original bill. Once SB 649 found a sponsor, we spent a day at the Texas Capitol meeting with staff members to promote the bill and gain support. Overall, more than 60 businesses endorsed SB 649. The Carton Council also signed on as a supporter of the bill.

Packaging

We have seen increased interest in, and use of, plant-based caps and FSC®-certified paperboard in carton material among our customers. This growth is fueled by our customers making changes to meet their own sustainability goals while demonstrating their environmental commitments to their consumers in a visible way.

In 2019, plant-based caps accounted for 33% of all caps used in the U.S. and Canada, a sharp increase from 0.4% in 2017! Packages carrying the FSC®-certified label increased from 19.7% in 2018 to 28.3% in 2019.

When Recology, a West Coast resource recovery company, was building its new office in south Seattle in 2019, it wanted to make a statement with a kitchen design that aligned with its values as a zero-waste company. Recology opted to use a product called Everboard™ — a material made of recycled cartons by Continuous Materials. The innovative kitchen design visually demonstrates one of the many ways we can extend and repurpose the end-life of recycled cartons, and it has been well received by building tenants.



CARTON COUNCIL CORNER



In 2009, Tetra Pak joined together with other carton manufacturers in the U.S. to establish the Carton Council, an organization committed to limiting the number of cartons that become waste. Through this unified effort, the Carton Council seeks to build a sustainable infrastructure for carton recycling and continue growing carton recycling throughout the U.S. In 2010, the Carton Council Canada was added to undertake similar efforts in Canada.

Last year, the Carton Council celebrated 10 years of progress! Education efforts with its partners have helped grow the curbside

recycling rate of cartons to about 18%, which is a 200% increase from just 6% in 2009.

For the first time in 20 years, Canada now has a used food and beverage carton (UBC) recycler inside the country. UBC will now be recycled at the Sustana Fiber Mill in Lévis, Quebec, located outside of Quebec City. It is the sister mill to Sustana's De Pere, Wisconsin location, which has been recycling UBC for a number of years. This is an exciting development for Tetra Pak and the Carton Council as they continue to increase access to carton recycling in the U.S. and Canada.

The Carton Council continues to engage with innovative ways to improve sorting at materials recovery facilities (MRFs). This includes providing grant funds for automated sorting solutions such as robots and optical sorters.

Creation of the Carton Council



2009

Established in the U.S.



2010

Established in Canada

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