



SUSTAINABILITY REPORT

DESIGNING OUR FUTURE



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GUIDING STATEMENT

Placon is committed to closing the loop through our zero net waste initiative, reclaiming and repurposing post-consumer recycled materials, and setting the industry standard for sustainable packaging. Contributing to the circular economy, Placon strives to create a culture of environmental responsibility for our team members, customers, and communities.





The Mohs Family, from left to right, Ellyn Mohs, Dan Mohs (Chairman and CEO), Nancy Mohs, Linda Granato



Tom Mohs (Founder)

“We’ve been innovating in the sustainability space since before people even knew what sustainability meant.”

-Dan Mohs



A FAMILY LEGACY

“Living sustainably is not just something we say, it is our company vision. We strive to be an industry leader in green initiatives and reducing our overall carbon footprint by implementing a variety of energy saving programs, water recycling, and working with local governments and municipalities. Our sustainability goals don’t stop with just our facilities. We have been using

recycled PET since the early 90’s with key retail partners. In 2011, we took the next step toward creating a circular economy by building an onsite recycling center. To date, we’ve kept over 4 billion PET bottles from landfills. We close the loop and we’re just getting started.”

- Dan Mohs, Chairman and CEO



SUSTAINABILITY TIMELINE

The Placon legacy is built on innovation, and engineering new ways to make packaging. Beginning in 1991, we set the standard in sustainable packaging by switching from PVC to PET. Each year since, we've pushed the boundaries on what it means to create a circular economy.

1991

1st PET Retail Package with PCR content introduced in the US with Walmart.

2008

Commissioned EcoStar® Bottle recycling facility to produce PCR flake for extrusion of film.
Placon introduced PCR content into all food containers.

2011

Our EcoStar recycling facility began reclaiming PET bottles and thermoforms.

2021

Installed a sheet laminator and invested in other barrier materials and technologies.

2023

Implemented technology upgrades (new bottle and flake sorters) to recycling facility, increasing throughput and processing capability.

2002

Began in house extrusion of post-consumer recycled content (PCR).

2010

Led industry initiative to include thermoforms in recycling stream.
Received FDA approval for use of PCR for direct food contact.

2020

Introduced OxyStar® sustainable barrier material.

2022

Received SCS Global Services 3rd party certification on 100% post-consumer recycled PET sheet.

2024

Received SCS Global Services 3rd Party certification on 50% post-consumer recycled PET sheet.



ELIMINATING WASTE & POLLUTION

Placon is committed to eliminating waste and pollution in our own facilities and creating a more circular economy by using post-consumer recycled plastic in our food, retail and medical packaging.

"A circular economy works when waste and pollution are eliminated. Currently,

our economy works in a take-make-waste system. We take raw materials from the Earth, we make products from them, and eventually we throw them away as waste. Much of this waste ends up in landfills or incinerators and is lost. This system cannot work in the long term because the resources on our planet are finite."

– Ellen Macarthur Foundation

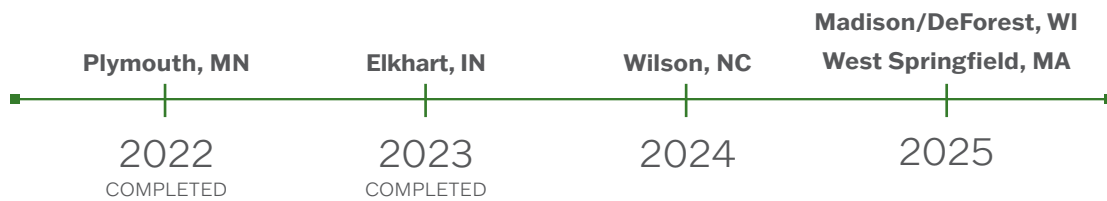


SOLAR POWER

The O'Brien Solar Fields consist of 20 Megawatts of locally generated solar energy. It is currently the largest solar array in Dane County and is located less than 5 miles from Placon's headquarters. The field covers approximately 160 acres and consists of 60,000 solar panels, generating enough electricity to power the equivalent of 6,300 houses. Placon purchased 2.5 MW of locally generated, carbon-free energy from the O'Brien Solar Fields. The energy we receive from the solar arrays offset 3,752,567 kWh at all Placon Madison facilities. Additionally, our Plymouth, MN, facility uses solar power from panels atop its roof.



TIMELINE OF FACILITY PLANS



ZERO NET WASTE INITIATIVE

The Plastics Industry Association (PLASTICS) Zero Net Waste (ZNW) program recognizes companies that take steps toward zero net waste in manufacturing. Placon is committed to becoming a ZNW company and it starts at the facility level. Over the next few years, each facility will learn how to divert waste from landfills and focus on regenerating nature.



Requirements of Each Facility

- Divert up to 90% of their total waste away from the landfill
- Engage employees in environmental efforts
- Avoid landfill costs and generate revenue by recycling



FACILITY UPGRADES

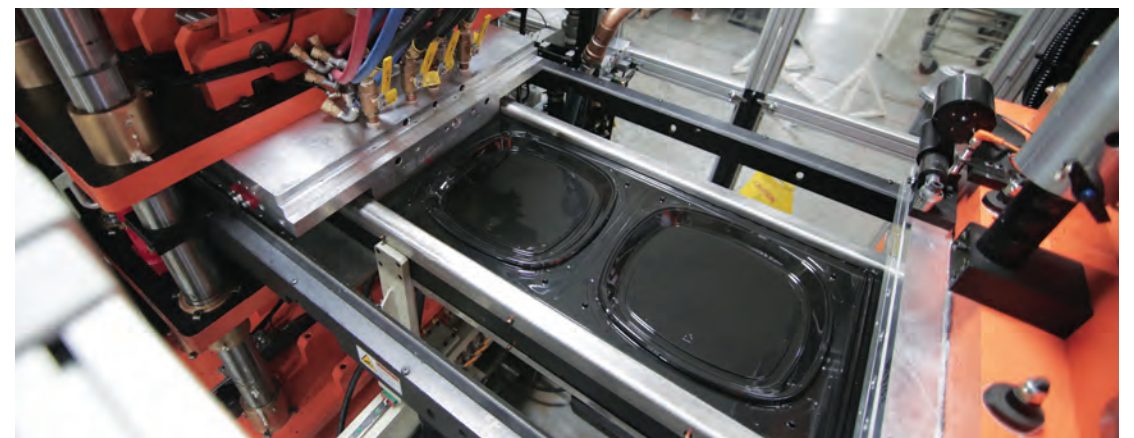
Placon's headquarters takes part in the Wisconsin Focus on Energy Program. This program improves energy performance of daily operations. We are able to make informed decisions that not only reduce operational costs, but save wasted energy.

As a result, we've made significant upgrades to our facilities, including new lighting and cooling systems, and we've taken measures to control air flow. In 2016, we began a compressed air study which led to changes that improved air quality and led to less equipment failure and energy loss. Compressed air can be one of the highest energy expenditures in

a typical facility, and between 80% - 90% of energy required to compress the air is wasted in the form of heat.

In 2017, we upgraded our variable frequency drives (VFD) to improve the control of our water to meet only the demand needed, reducing wasted energy by over-driving.

More recently, we began a partnership with Madison Gas & Electric that reduces our power consumption during peak hours of the day and during extreme weather events, thus alleviating excessive demand on the local power grid.





“The circular economy is a system where materials never become waste and nature is regenerated.”

–Ellen Macarthur Foundation



CIRCULATING PRODUCTS & MATERIALS

Circulating products and materials encourages keeping materials in use and maintained at their highest value. We believe in circular plastics; packaging designed for circularity and not landfill. Recycle, reuse, re-plastic.

“The circular economy is a system where materials never become waste and nature is regenerated. In a circular

economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting. The circular economy tackles climate change and other global challenges, like biodiversity loss, waste, and pollution, by decoupling economic activity from the consumption of finite resources.”

– **Ellen Macarthur Foundation**



ECOSTAR UPDATE

Our 70,000 square-foot recycling center, which opened in 2011, is located on the same campus as Placon's thermoforming headquarters in Madison, WI. Placon uses all of the recycled content and extruded RPET material made at the facility for our food, retail and non-sterile medical PET packaging product lines.

As our company has grown, and demand for PCR has increased, we began a

two-phase technology upgrade project at the EcoStar plant, starting in 2023. Partially financed through a grant from the Recycling Partnership, an NGO committed to advancing a circular economy by building a better recycling system, the project goal was to increase our locally-sourced, curbside PET bottle processing capacity. Currently, we work with multiple domestic and international PET bale suppliers, including those who provide certified ocean-bound plastic for recycling.



Phase 1

In 2023, we installed a new bottle sorter and flake sorter that allows us to process more PET bottles and thermoforms, increasing our potential throughput.

Phase 2

In 2024, our plan is to develop stronger relationships with local MRFs (Material Recycling Facilities) and create a more consistent curbside PET bottle supply. Using locally sourced PET bales not only improves the recycling infrastructure in Wisconsin, but it also reduces the cost of post-consumer recycled PET sheet by increasing consumer demand.

ECOSTAR ADVANTAGE

We are proud to say that we complete a closed loop process when creating our EcoStar packaging. All PET bottles and thermoforms with a #1 recycling symbol can be used to make our EcoStar post-consumer recycled PET plastic sheet.

Step 1: PET flake is extruded into our EcoStar plastic sheet, and used for food, retail, and medical packaging.

Step 2: Packaging made using our EcoStar material is then shipped to distributors and customers across the United States to be used for food, retail, and medical products.

Step 3: Consumers use food, retail, and medical

products every day. Once they are done using them, they can toss the EcoStar packaging into their recycling bin.

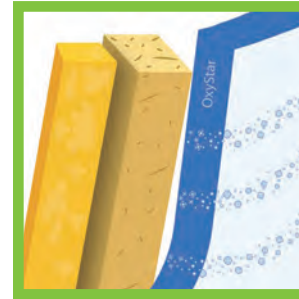
Step 4: Recycling bins filled with EcoStar and other PET plastic are placed curbside and are collected by local recycling companies.

Step 5: Local recycling companies then process the curbside collected PET plastic and turn that plastic into post-consumer PET bales. These bales are then sent to Placon to be made into EcoStar post-consumer PET packaging.

Step 6: Once the post-consumer PET bales arrive at Placon, they are cleaned, sorted and made into clean PET flake.



“Creating a package that increases product shelf life by keeping food fresher for longer, all while making a sustainable impact, is how we make simply better packaging.”



OXYSTAR RECYCLABLE BARRIER MATERIAL

When creating custom food solutions, a big challenge can be limiting the amount of direct oxygen contact packaged food is exposed to. Excessive oxygen contact reduces shelf life and increases food waste, which has been linked to increased greenhouse gas emissions. As a result, EVOH is often used in food packaging as a barrier material to limit oxygen contact and reduce food spoilage. EVOH is great for reducing food waste but it is very hard to recycle. With 132,000 tons of EVOH produced annually, Placon took on the challenge of creating a barrier material that was both effective and recyclable. Introducing OxyStar: the first ever recyclable barrier material.

OxyStar barrier material utilizes a multilayer PET with an oxygen scavenging

agent. PET has a naturally low oxygen transmission rate (OTR) and this construction slows down the flow of oxygen molecules through the package from the outside. Once the scavenger agent finds an oxygen molecule, it attaches to it and binds the oxygen within the sidewall of the package to keep products fresh and lasting longer. OxyStar material is ideal for meats, cheeses, foods with high vitamin C content, and high-fat content items such as nuts and oils.

The advantage of packaging made with OxyStar barrier material is that it carries a #1 resin identification symbol, making it sustainable and fully compatible with PET recycling processes. In contrast, EVOH carries a #7 symbol, making it unrecyclable and creating a negative environmental impact.



POST-CONSUMER RECYCLED MATERIAL CERTIFICATION

Consumer packaging boasts words like “made from recycled material” or “recyclable,” but do we know what that means? When a product is recyclable, it means it can either be recycled through curbside pickup or at a recycling center. A recycled product is made from that recyclable material. However, not all recycled claims are equal! Two common types of recycling include Post-Consumer and Post-Industrial.

Post-Consumer Recycled (PCR)

This material refers to packaging that we, as consumers, toss into our recycling bins, including soda bottles, cans, and boxes, and is then reprocessed into new packaging. Utilizing already existing material instead of “virgin” material is more environmentally friendly because it requires less energy and emits fewer greenhouse gases.

Post-Industrial Recycled (PIR)

This material is composed of left-over scraps and waste from the manufacturing process. PIR has environmental benefits like PCR does, as less material ends up in landfills because it, too, is reprocessed into new products.



MINIMUM 100% RECYCLED CONTENT
POST-CONSUMER



MINIMUM 75% RECYCLED CONTENT
POST-CONSUMER

SCS Global Services

Placon has certification through SCS Global Services, an organization recognized by the Association of Plastic Recyclers (APR) to evaluate products made from pre-consumer or post-consumer material diverted from the waste stream. Certification measures the percentage of recycled content for the purpose of making an accurate claim in the marketplace.

Since 2021, we’ve received yearly certification on our #1 plastic, food-grade PET sheet that is made with 75% post-consumer recycled PET. This means that 75% of any package made with this material comes from PET bottles. In 2022, we added a 100% post-consumer recycled PET sheet to our offering. And in 2024, we rounded out our portfolio by adding certification for 50% post-consumer recycled PET sheet.

REGENERATING NATURE COMMUNITY ENGAGEMENT

As part of our **PLACON CARES** program, we believe that by giving back to our communities, we make them stronger, healthier, and more vibrant and, in return, make our environment better to work and live in.

Community Support

In 2023, Placon team members and corporate giving donated \$39,943 to the United Way, and thousands more to other local charities. Placon also donated more than 3,000 food



containers to Ronald McDonald House Charities of Madison. The containers were used for meal preparation, giving guest families with sick children one less thing go worry about.

Civic Engagement

Our Recycle Crew had a blast at American Family Field in Milwaukee in May. We joined forces with SC Johnson, the Milwaukee Brewers and EarthEcho International to educate local students on the importance of sustainability.



Education

Once again, we worked with Velma Hamilton Middle School in Madison, WI, and asked 6th, 7th and 8th graders what the world would look like if everyone took care of the environment. Here's some of the art they made.

We also worked with the school to sponsor the Placon Sustainability Award, which was given out to two eighth graders for their sustainability efforts. From going vegetarian, co-chairing an Earth Day cleanup, composting, and biking everywhere (even during the winter), we were impressed with all of the actions taken by the students to protect the planet.



AWARD-WINNING SUSTAINABLE DESIGN



AWARD FOR FOOD PACKAGING DESIGN

Each year, Placon submits packaging designs to the Institute of Packaging Professionals to be candidates for the AmeriStar Awards. In 2023, we received an award in the Food (Refrigerated) category for our Crystal Seal® Cravings™ PET deli cup design.

The Cravings line of deli cups are made with our EcoStar® post-consumer recycled PET, and are available in 8, 12, 16, 24, 32 and 32-ounce tall options. The product line's unique tamper-evident base-to-lid closure mechanism, clear visibility and the sustainable nature of the packaging were cited as key reasons for the award.



WORLDSTAR WINNER 2024

AWARD FOR FOOD PACKAGING DESIGN

The WorldStar awards are an annual award given by the World Packaging Organization and are the pre-eminent international award in packaging. WorldStar's mission is to highlight the continuous advancement of packaging design and technology to create a standard of packaging excellence.

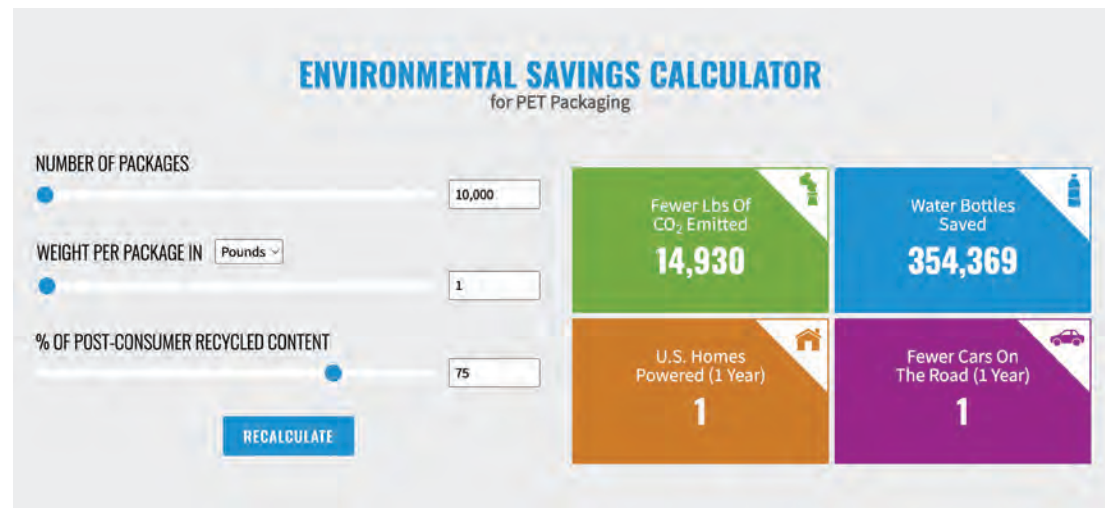
The award for Crystal Seal® Cravings™ was granted in the "Packaging Materials

and Components" category, which honors superior packaging that includes "any specific material or component which creates a differentiating appearance, unique functionality or notable innovation."

In the case of the Cravings line, this referred to the use of our EcoStar® post-consumer recycled PET material and the unique tamper-evident lid design.

ENVIRONMENTAL SAVINGS CALCULATOR

Since Placon is vertically integrated with an onsite recycling facility, we can calculate the average number of bottles used in our PET packaging for all of our customers. With the help of the EPA greenhouse gas data converter, we can communicate the environmental savings in a meaningful way.



Customer Case Study: SUPERIOR FRESH

Goal:

Find a sustainable package solution for Superior Fresh that saves the environment while protecting and extending the life of their leafy greens.

Solution:

Create a tray that is film-sealable to ensure longer shelf-life and aspiration of the greens; use SCS Global certified 75% post-consumer recycled PET that is recycled and recyclable; and engrave a sustainable message into the tray itself to maximize brand awareness.

Environmental Savings:

Repurposed 6.8 million water bottles, preventing over 375,000 lbs. of greenhouse gas emissions, taking the equivalent of 38 cars off the road.



GOALS & OUR FUTURE

Eliminating Waste & Pollution

- All Placon thermoforming and injection molding facilities will be eligible for Zero Net Waste certification by the end of 2025
- Increase throughput of curbside collected, ocean-bound, and clear bales by a minimum of 20% in our recycling facility by 2025

Circulating Products & Materials

- Develop and launch 25% post-consumer recycled polypropylene offering by 2024
- Transition all PVC & PS stock food and retail products to PET by 2025

Regenerate Nature

& Community Engagement

- Engage with local schools and universities to promote recycling education opportunities through internships, awards, and programs

"We believe in conserving resources, and in a world of scarce resources, anytime you can use something over again you're preserving that molecule and using it in its highest and best value. Everyone benefits from that."

– Dan Mohs, Chairman & CEO

“Sustainability is no longer about doing less harm. It’s about doing more good.”

–Jochen Zeitz,
President and CEO of
Harley-Davidson, Inc



“I am only one, but
I am one. I cannot do
everything, but I can
do something. And I will
not let what I cannot
do interfere with what
I can do.”

-Edward Everett Hale

PLACON[®]

Simply Better Packaging

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