

Tetra Pak U.S. and Canada

2022 Sustainability Report

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Message From Our U.S. and Canada President and CEO

In 2001, I stepped into our Winsted, Minnesota, production facility for the first time as a process automation engineering intern. This year, shortly after being named President and CEO of Tetra Pak's U.S. and Canada Market, I returned to Winsted to visit with some of my first mentors and our most recent new hires.

To say that a lot has changed since my first day with Tetra Pak would be an understatement. The last two decades have been a time of significant change. From extreme weather conditions and geopolitical risks to economic concerns and a lingering pandemic, we continue to see how closely connected we are as a global community.

While the world around us continues to change at an unprecedented rate, I am proud of Tetra Pak's unrelenting focus on our vision to *make food safe and available, everywhere* while recognizing the gravity of our brand promise to protect what's good for food, people and the planet.

I am pleased to share the 2022 Tetra Pak U.S. and Canada Sustainability Report. The following report demonstrates how our local team is performing in support of Tetra Pak's environmental, social and governance (ESG) strategy.

Making food safe and available everywhere is the cornerstone of our organization. As supply chain shortages and economic concerns plague both the U.S. and Canada, the value of our shelf-stable

processing and packaging solutions continues to grow. One example, highlighted in this report, comes from a pilot study conducted in one of the largest school districts in Texas. The study results demonstrate how choosing our shelf-stable packaging can help schools meet the nutritional needs of more students, while reducing costs and becoming more sustainable by reducing food waste and energy consumption.

Beyond food safety and availability, we look at every aspect of our work through the lens of sustainability. As a society, we continue to witness the effects of our actions on the environment. At Tetra Pak, we're committed to minimizing our impact, and our market continues to improve our operations and offerings in support of this commitment.

Protecting what's good for others begins with protecting what's good for the individuals who lend their knowledge, talents and passion to our vision. In addition to our ongoing health and wellbeing offerings, we are working to further establish a culture of inclusivity where every member of our team feels seen, heard and valued.

The tangible effect of the work we do touches millions of lives around the world every day. As an employee who has experienced this organization through several roles and perspectives, I can attest that it is our unified focus on protecting food, people and the planet that drives each of us, and makes Tetra Pak an industry leader for high-quality, innovative and sustainable packaging, processing and services solutions.

On behalf of our team of more than 1,500 employees in the U.S. and Canada, I am honored to share a sampling of our accomplishments that demonstrate our collective momentum to protect what's good.



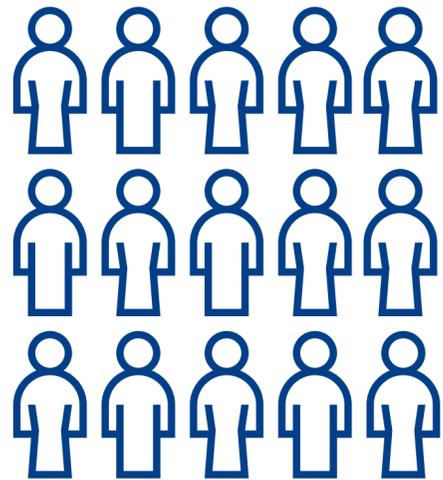
Seth Teply

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



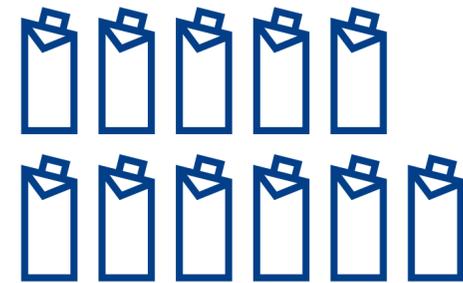
Facts & Figures

A round-up of key numbers from Tetra Pak U.S. and Canada in 2021



1,550

employees



11.4 billion

Tetra Pak® packages sold in 2021

5

production plants

6

sales offices

11,800

processing units in operation

275

packaging machines in operation

Food

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Nestlé
CHOCOLATE MILK
Total Fat 0g
Saturated Fat 0g 0%
Trans Fat 0g
Cholesterol 2mg 1%
Sodium 20mg 0%
Total Sugars 22g 44%
Includes 11g Added Sugars
Protein 8g
Vitamin D 2.5mcg 10%
Calcium 300mg 25%
Iron 0.5mg 3%
Potassium 420mg 8%
Vitamin A 150mcg 15%
INGREDIENTS: Skim Milk, Sugar, Cocoa (Processed with Alkali), Carrageenan, Salt, Vitamin A Palmitate, Vitamin D3.
CONTAINS: Milk

Food

Piloting Shelf-Stable Milk in Schools

Milk is an important part of school meals — it can benefit students' overall health and is packed with 13 essential nutrients, including protein, to combat hunger. Educators report that school meals **can help students** with lack of energy, poor academic performance and an inability to concentrate. As a result, schools purchase a significant amount of milk.

The Dallas (Texas) Independent School District (Dallas ISD) supplies its students with more than 1.5 million gallons (5.7 million liters) of milk each year. But the logistics of receiving and storing all that milk can be a challenge for schools, which typically have tight budgets and limited chilled storage capacity. At the beginning of 2022, Dallas ISD, Tetra Pak, Dairy Management Inc. (DMI) and DairyMAX launched a shelf-stable dairy milk pilot in the district.

What is shelf-stable milk?

- Shelf-stable milk is the same as refrigerated milk, packaged in an aseptic carton.
- To allow for a shelf life of more than six months with no refrigeration needed before opening, the milk also undergoes **Ultra High Temperature (UHT) processing**.
- UHT processing combined with an aseptic carton retains the nutritional value of the milk without the use of additives or preservatives.



The pilot with Dallas ISD took place over five months and looked at the impact of switching from chilled to shelf-stable milk in nine elementary schools. The results of the study show cost savings, fewer deliveries of milk and increased consumption:

- A projected savings of **six cents (\$0.06)** per serving, specific to supply chain costs.
- Deliveries of milk were reduced from five times a week from the milk processor to twice a week by the district. Fewer deliveries resulted in a more than **50% reduction** of truck miles for Dallas ISD.
- Milk consumption increased **6% and waste declined 5%**.

Additionally, shelf-stable milk has a lower carbon footprint than its chilled counterpart because it does not rely on refrigerated distribution networks and storage, both of which demand electricity. Because shelf-stable milk does not need refrigeration before opening it has less risk of spoilage, making it convenient for schools in rural areas, as well as after-school and food backpack programs.

Two other school districts previously conducted similar pilots, and are continuing to use shelf-stable milk, four and six years later. These districts report they've been able to reduce the challenges associated with chilled milk, such as spoilage. One director said shelf-stable milk has made their operations easier and was a worthwhile change. Other school districts have expressed interest in conducting similar pilot studies in the 2022-2023 school year.

Educating the Industry on Best Practices for Sustainability

As part of our efforts to make sure food is produced as sustainably as possible, we're working to share best practices and technology updates with the industry.

The International Society of Beverage Technologists hosted their annual BevTech event in North Texas in May 2022 and invited Tetra Pak to educate attendees on aseptic processing and packaging. Jordan Fengel, Tetra Pak U.S. and Canada Sustainability Manager, was featured on the main stage and spoke about how Tetra Pak is meeting today's sustainability demands while looking toward the future. As part of the conference, attendees were invited to Tetra Pak's Denton, Texas, facility to learn more. Twenty BevTech attendees received a tour of the converting factory where our carton packaging material is produced, as well as the Product Development Center and Customer Innovation Center. This tour demonstrated many of Tetra Pak's best-in-class operations and showcased our innovative processing and packaging equipment to professionals in the beverage industry.

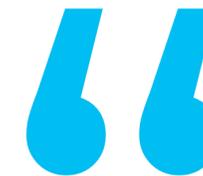
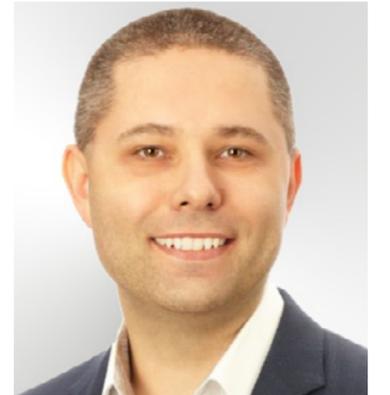
Sasha Ilyukhin, Vice President Customer Service Operations - Americas, Tetra Pak, shared with **Food Technology magazine** how advances in technology such as connected sensors and data analytics can help food producers improve efficiency, quality and safety.

Ilyukhin also teamed up with Jason Pelz, Vice President of Sustainability, Tetra Pak U.S., Canada, Central America and the Caribbean, for an episode of the **Future of Field Service** podcast. They discussed the many opportunities for food and beverage manufacturers to increase sustainability and reduce waste through automation systems, predictive maintenance, Total Productive Maintenance (TPM) and more.

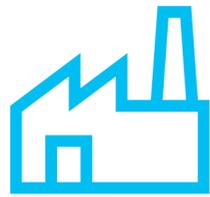
Another area where Tetra Pak can help its customers become more sustainable is through sustainable carton packaging. Seth Teply, President and CEO, Tetra Pak U.S. and Canada, was a guest on the International Dairy Foods Association's **The Dairy Download** podcast, where he shared the trends Tetra Pak is seeing in the demand for sustainable packaging, and how Tetra Pak is innovating to make its packages even more sustainable and renewable.

Fengel was also a guest on the **Sustainable Packaging** podcast where he shared Tetra Pak's approach to packaging sustainability, including sustainable materials, recyclability, and the role of shelf-stable cartons in addressing food waste.

Sasha Ilyukhin,
Vice President Customer Service
Operations - Americas,
Tetra Pak



Combined with the pressing environmental issues and human components, industries are now at the crossroads to contemplate the future of manufacturing within the upcoming fifth industrial paradigm, which promises the use of technology for more sustainable, resilient and equitable cyber-physical systems.



Keeping Food Innovation Going

Tetra Pak's Product Development Centers are where food innovation is brought to life. These unique facilities give our customers a place to test new recipes on a small scale. During the pandemic, the Product Development Center in Denton, Texas, knew food innovation needed to continue and created a solution for customers who were unable to travel to them. They began hosting virtual trials so customers could participate remotely. Not only did this allow food innovation to continue, but it also reduced carbon dioxide emissions by eliminating our customers' need to travel.

Even with travel increasing, about half of our customers are still choosing this virtual option, saving approximately 100 tons of CO₂ emissions in the last year.



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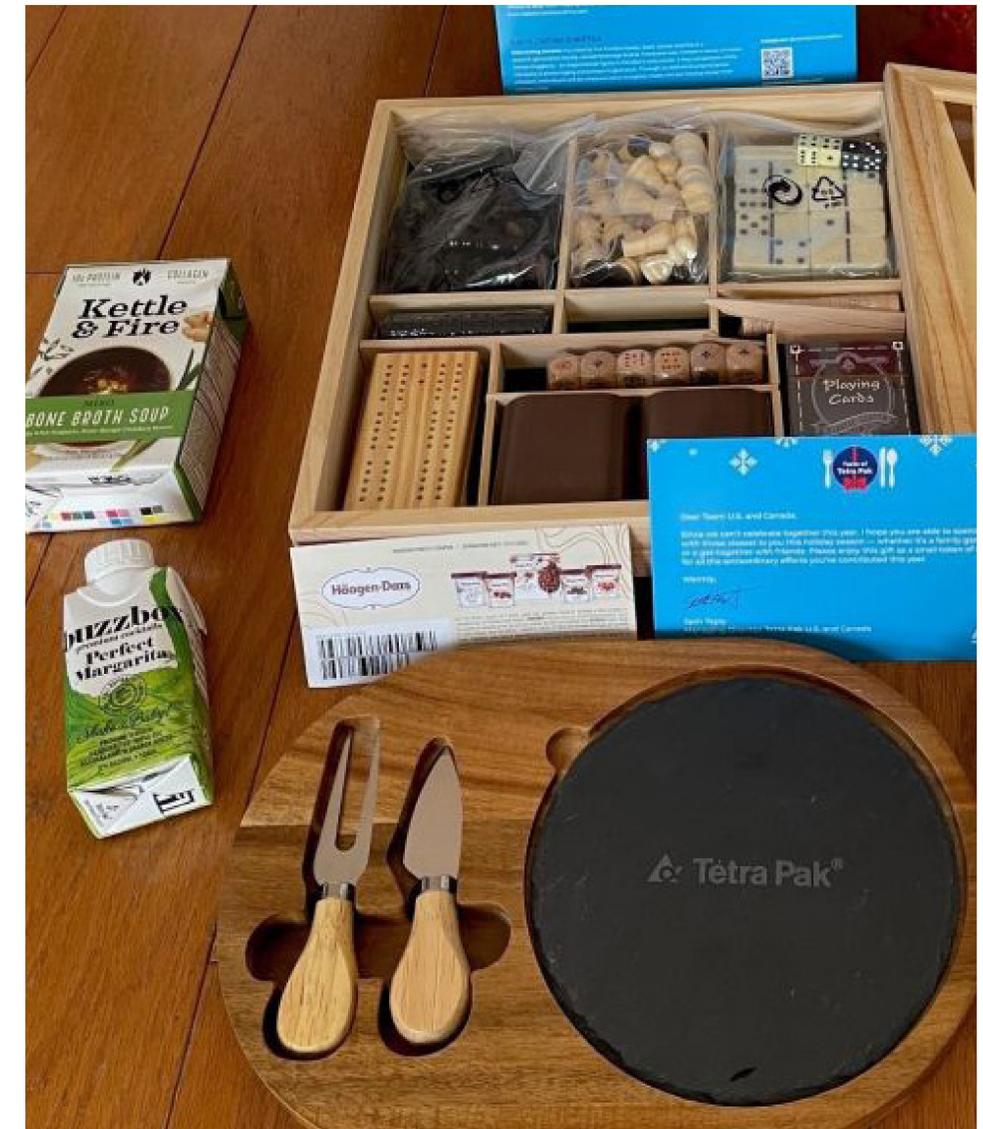
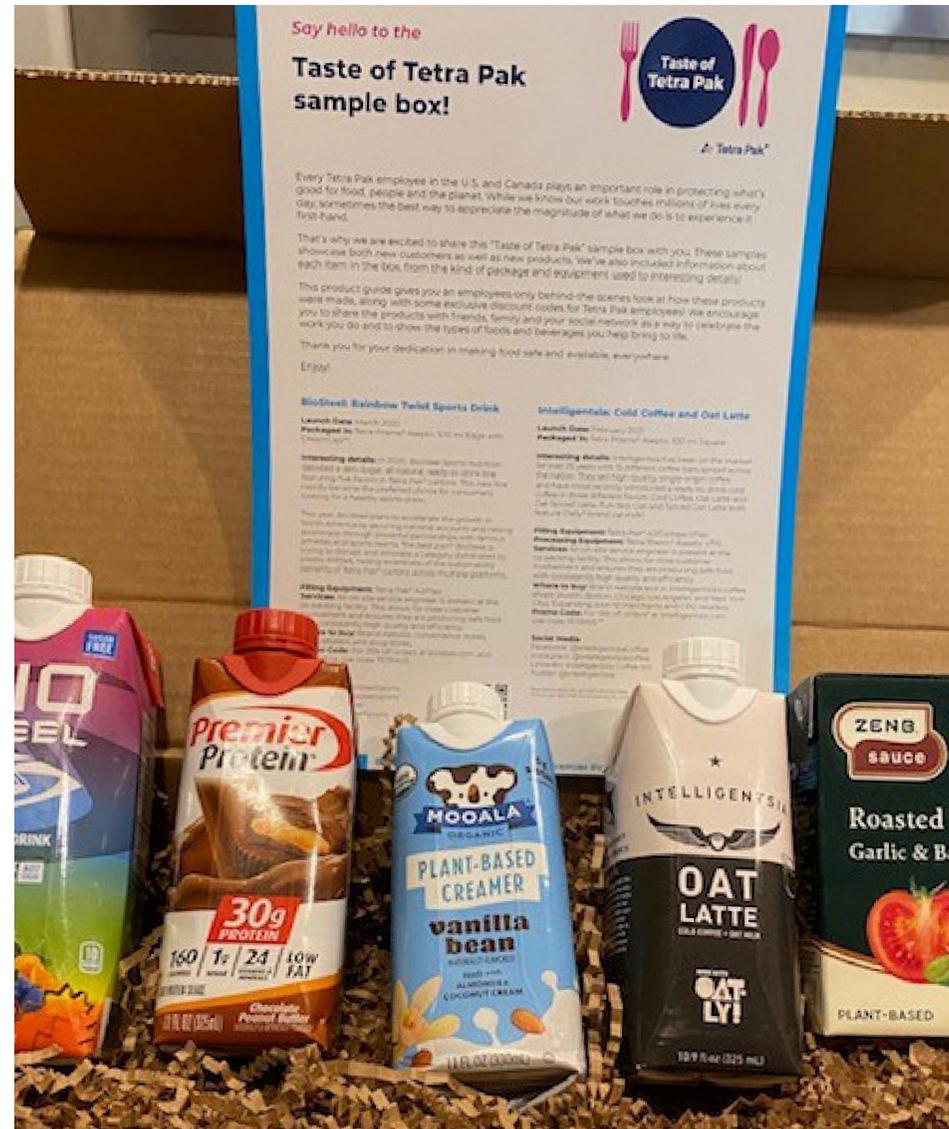


People

Taste of Tetra Pak

In summer 2021, we launched Taste of Tetra Pak sample boxes to keep our employees, many of them working remotely or hybrid, connected to our work in packaging, processing and services.

The curated boxes give employees and their friends and families the opportunity to sample many of the new, innovative products that Tetra Pak helped make possible. And because they're all packaged in shelf-stable Tetra Pak® cartons, they can be easily shipped to employees' homes without refrigeration!



Core Wellbeing

In the U.S. and Canada, Tetra Pak employees can take advantage of Core Wellbeing, a program dedicated to helping all employees and their loved ones achieve, maintain and protect their personal health and wellbeing goals so they can protect what's good for others.

Now in its third year, the program continues to reinforce the five pillars of total wellbeing (physical, mental, financial, community and social) with a variety of resources and activities. In the last year, nearly a quarter of all U.S. and Canada employees participated in at least one Core Wellbeing activity. Programming ranges from physical challenges like Move Your Way to Mental Wellbeing Week to Financial Literacy Month with educational activities from our retirement plan providers.

During Mental Health Awareness Month, Core Wellbeing dedicated one week to the topic of mental health. Employees were invited to wear green in support of mental health awareness and to participate in a BINGO game to help identify simple ways to prioritize mental wellbeing every day. In addition to daily communications containing resources and tools to support mental wellbeing, many Tetra Pak sites hosted a Wellness Wednesday event with chair massages, organic juices, healthy snacks and printed resources to help support every employee's mental wellbeing.



Employee feedback on Core Wellbeing programs has been overwhelmingly positive, with **98% of participants** saying it's important or very important for Tetra Pak to provide programs such as these.

"It's so important to have these reminders (or info-sharing opportunities) with employees! Keep it up!! Love it!"

"Opened my eyes on being more tuned in to things to do to be on top of my health."

"Good explanation of mental health and how it affects each person differently. Liked some of the tools given to help with mental health and stress."

Core Wellbeing programs often emphasize the importance of wellbeing visits and the mental wellbeing benefits available through our health plans. One of the key messages of the program's mental wellbeing pillar is that it is ok to not be ok. Since the start of Core Wellbeing, mental health visits have increased by 14%. This demonstrates that employees are now more familiar with the benefits available to them and recognize the importance of proactive self-care.



Recruiting the Best Talent

Every person at Tetra Pak is a vital part of our vision to make food safe and available, everywhere. We're implementing new ways to ensure that we have the right people with the right skills to make this vision possible.

Sometimes the best way to recruit new talent is to ask current employees what they love about their job — and that's exactly what we did at our site in Winsted, Minnesota. We used employee insights to create a series of videos highlighting what it's like to work at Tetra Pak and the opportunities for growth within the company.

Working at Tetra Pak



Tetra Pak Growth Opportunities



Our Future Talent and internship programs continue to be an excellent way to introduce people just starting their career to the many possibilities in the food and beverage industry. Future Talent gives recent graduates an opportunity to become the next generation of leaders in our industry and offers both a technical and leadership track.

Tergel Erdenebat,
Cheese Application Expert,
Tetra Pak U.S. and Canada



The number one thing I love and appreciate about Tetra Pak is they've given me a role where I can wake up in the morning and be excited to go to work because every day is different than the day before.

Samir Waliandy,
Preventative Maintenance (PM)
Area Engineer,
Tetra Pak U.S. and Canada



Tetra Pak was my first career stop. I chose Tetra Pak because the Future Talent Program gave me the opportunity to learn my first year on the job and Tetra Pak was willing to pay for my automation certifications. I saw that this was a great opportunity because those courses stay with me for life.

Diversity, Equity & Inclusion

Tetra Pak is committed to Diversity, Equity & Inclusion (DE&I) within the organization. In the U.S. and Canada, we are further supporting this effort by investing in a local DE&I roadmap. Together with an outside consultant, we are gathering insights from employees via volunteer focus groups and surveys. This information will be used to identify opportunities for growth and shape our DE&I strategy in the U.S. and Canada.

Julia Luscher, Vice President Marketing, Tetra Pak, was a featured speaker at Sustainable Brands '21's Women's Leadership Lunch. One hundred and fifty female leaders shared challenges, successes and best practices for women in the sustainability field.

Julia Luscher
Vice President Marketing,
Tetra Pak



Diversity brings new perspectives, fresh ideas and better innovation. At Tetra Pak, we are 100% supportive of women in the food and beverage industry, but we continue to see gender gaps. So, it is our responsibility to make sure that we try to bridge those gaps fairly but ethically.



Planet

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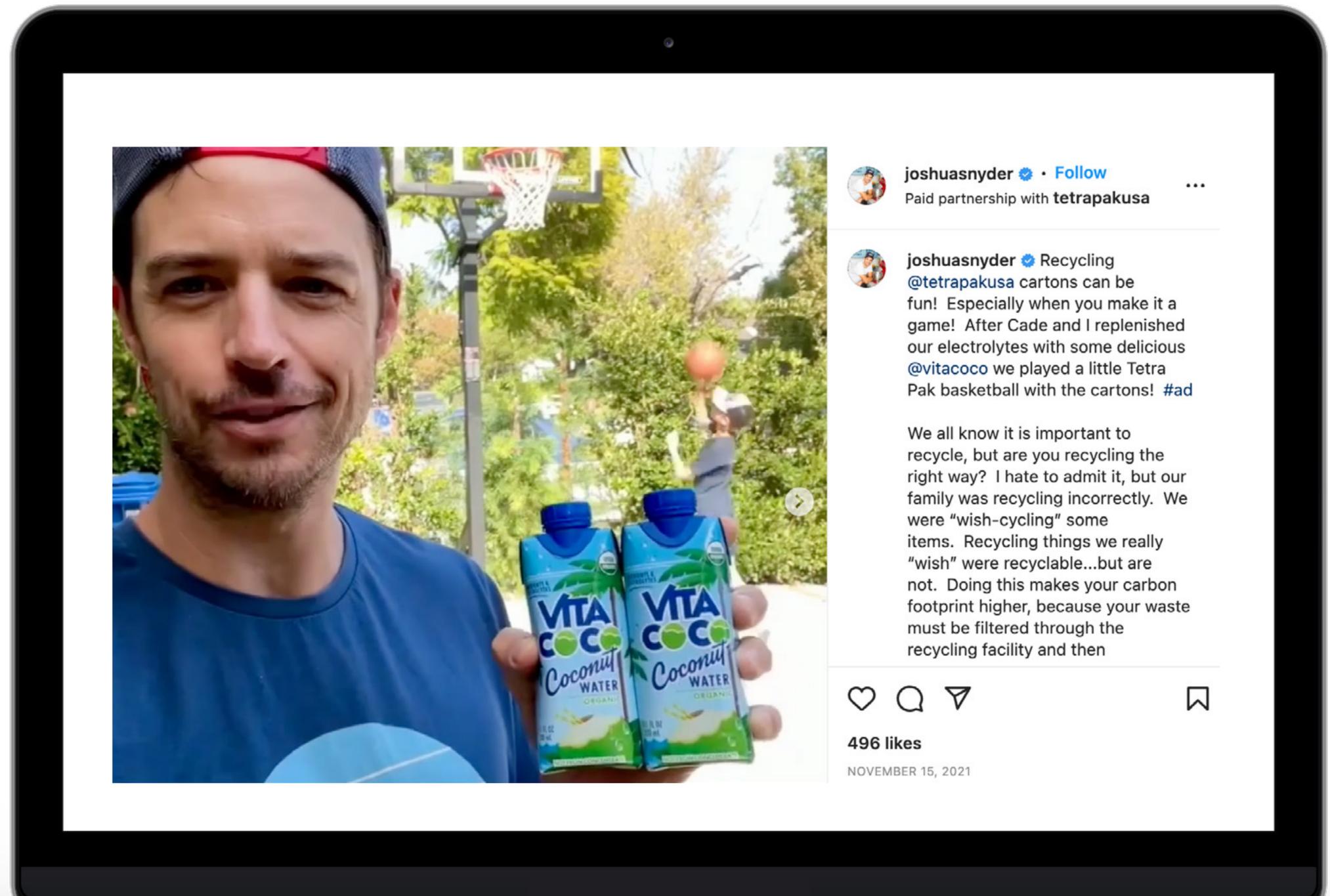
Planet

Educating Consumers, Customers and Employees on Sustainability

Educating consumers about the sustainability benefits and recyclability of cartons is one of the primary ways we can keep cartons out of landfills. Tetra Pak works with influencers, customers and employees in a number of ways to share these kinds of messages.

To reach a wide variety of consumers, Tetra Pak partnered with five social media influencers to introduce their followers to Tetra Pak and share why our shelf-stable cartons are their preferred packaging for many of their favorite foods and beverages. Content included healthy recipes, education on the benefits of renewable materials in cartons and tips on how to properly recycle cartons.

One of the most important ways end consumers learn about packaging sustainability is from the brands that use our carton packaging. Angela Peterson, Communications Manager, Tetra Pak U.S. and Canada, teamed up with Marissa Golison, Director of Sustainability, Compass Group USA, for a two-part series on the **unPACKed** podcast on how brands can approach sustainability with consumers. They also addressed strategies for on-package sustainability messaging that appeals to consumers.



We used America Recycles Day (Nov. 15) as an opportunity to host educational events for our employees and customers. Employees participated in an interactive webinar on carton recycling that included the latest updates on carton recycling from our sustainability team, carton recycling trivia and a Q&A on recycling with Waste Management, including how their organization values used beverage cartons.

In addition to offering our customers sustainable packaging options, we believe it is important to share the facts on carton recycling so they can share them with consumers. With this in mind, we hosted a customer webinar for America Recycles Day that included an in-depth presentation by our sustainability team on carton recycling today and innovations for the future. The webinar also marked the launch of the customer communications toolkit for all customers in the U.S. and Canada. The toolkit provides guidelines on how brands can communicate all aspects of the sustainability benefits of Tetra Pak® cartons — both on- and off-pack. More than 55 customers attended the America Recycles Day webinar.

Beyond carton recycling, we also hosted two electronics recycling events at our U.S. and Canada headquarters in Denton, Texas. In total, **7,103** pounds (3,222 kilograms) of electronics were collected from employees and around the campus to be recycled **instead of going to a landfill.**



Your Tetra Pak® Toolkit:

Promoting your product & its package

 Tetra Pak®
PROTECTS WHAT'S GOOD

Making Cartons Even More Sustainable

As demand for sustainable packaging continues to grow, we've expanded our production of shelf-stable cartons that use more renewable materials. Our factory in Denton, Texas, can now produce Tetra Pak® cartons made with sugarcane-based polyethylene (PE) coatings. Cartons with plant-based PE can come with a plant-based cap, also derived from sugarcane. Plant-based PE offers the same recyclability, functionality and food protection as traditional polymers, only made from renewable materials with a lower climate impact.

Jason Pelz,
Vice President of Sustainability,
Tetra Pak U.S., Canada, Central America
and the Caribbean



This is another step forward for our customers dedicated to bringing more sustainable options to their North American consumers.

Tetra Pak® cartons with plant-based PE coatings have previously been available from other Tetra Pak factories in France and Brazil. By bringing this capability to Denton, we're increasing the share of renewable material in our packages manufactured in North America and making this option more accessible to our local customers.

Packaging made with plant-based PE does not require any modifications to existing filling equipment, and customers have the option to display the Bonsucro Chain of Custody Standard seal on-pack.

Another sustainability initiative at the Denton factory is reducing the width of the rolls of paperboard and aluminum foil used to produce carton material. This reduction is possible because the factory can now print closer to the edge of the paperboard, allowing us to reduce waste and maintain the same packaging specifications our customers expect. We anticipate this initiative will reduce our usage of both paperboard and aluminum foil by about 1.5%.



Reducing Our Manufacturing Impact

Improving our factories' operations plays a significant role in reducing Tetra Pak's overall environmental footprint. We've made several improvements to our manufacturing facilities, including:

- Monitoring performance to minimize waste and energy usage. We monitor this using an indicator called Mean Time Between Intervention, or MTBI. This helps us understand the performance of each piece of equipment and how effectively energy is being used.
- Installing a new building management system for chillers and HVAC equipment to monitor usage and ensure we're using these resources wisely.
- Upgrading lighting to energy-efficient LED bulbs in the warehouse and production areas.



Carton Council of North America



Since 2009, the Carton Council of North America has worked to deliver long-term collaborative solutions to divert valuable cartons from landfills to recycling programs. The organization is made up of the major producers of carton packaging, including Tetra Pak.

Increasing access to carton recycling

Thanks to the Carton Council's efforts, carton recycling access is being added to more local recycling programs. In the last 12 months, 408 new communities have added carton recycling, including Fayette County, Kentucky, and several new areas of Georgia including DeKalb and Cobb Counties.

Community Education Awards

The Carton Council of North America launched its first Community Education Awards, a program designed to improve resident communications on recycling, with a special focus on food and beverage cartons. Communities that participated received ongoing information to support their communications and marketing efforts throughout the year, including monthly webinars with communications experts. Participating communities showed that their websites accurately and clearly defined carton recycling, along with at least two other examples of communications and/or marketing activities conducted during the year to promote recycling, including cartons.

Twenty communities participated in the first year and successfully submitted their results, earning them each a \$2,000 grant to help with future education efforts.



Sustain Dane Master Recycler Program

The Carton Council continued its work with Sustain Dane, a nonprofit organization that works to build a more sustainable future for Dane County, Wisconsin, through its ongoing Master Recycler program. The program helps everyday people become recycling experts so they can share their knowledge with others. More than 44,000 people in the community have learned about recycling through the program, and feedback about the program continues to be positive.

The city of Madison (Dane County), has reported a decrease in recycling contamination from **18.9% to 12.8%**. While this may be caused by a variety of factors, the city continues to track progress and explore ways to test the impact of the Master Recycler program.



Sustain Dane is now working with the Latino Academy of Workforce Development in Madison to create a Master Recycler program that is culturally relevant for the Latinx community and offered in Spanish.

Recycling infrastructure improvements in Michigan

Michigan-based paper mill Great Lakes Tissue Company sought to recycle more food and beverage cartons and to find a better use for the small percentage of polyethylene (plastic) and poly/aluminum in cartons. This led to a collaboration between Great Lakes Tissue Company, the Carton Council of North America, and the Michigan Department of Environment, Great Lakes, and Energy (EGLE), a part of NextCycle Michigan, to help improve the infrastructure for recycling and manufacturing in the state. The Michigan Department of Agriculture and Rural Development (MDARD) also provided matching funds for the project.

Great Lakes Tissue Company received funds to secure new equipment to better handle the polyethylene and poly/aluminum residual from the pulping process used to recycle cartons. In addition to allowing the company to process more cartons, the new equipment removes more water from the polyethylene and poly/aluminum, decreasing its weight significantly and allowing for more efficient transport with lower greenhouse gas emissions. The poly/aluminum residue is currently sent to St. Mary's Cement in Charlevoix, Michigan, where it offsets the use of coal as fuel.

As part of this process, the company is able to recapture the water and recycle it back into the process for reuse. The new equipment has reduced the water content in the residual material from 65% to 17%.



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