



THE MISSION:

To view environmental responsibility as an integral part of principled corporate citizenship and as an essential element in the products manufactured, materials procured, and processes incorporated into our research and development activities.

To enrich our sustainability competence in the areas of reducing, renewing, reusing and recycling materials and all related by-products.

To communicate cost-effective solutions, technological advances, improved product performance and environmentally responsible developments to our valued customers.

To identify ways to effectively integrate economic progress, social development and environmental concerns to ensure an improved quality of life for future generations.

American Packaging Corporation is committed to being a good corporate citizen by focusing on ways to effectively integrate economic progress, social development, and environmental improvements in our daily activities. We strive to improve the environment through innovation and strengthen our communities through involvement.

This information covers the calendar year 2008.

Social – Economic – Environment

Turning Green into Gold

Sustainable practices do not always come with a higher price tag. In fact, several initiatives American Packaging put in place in 2008 yielded significant cost savings.

PACKAGING MATERIALS

R&D focused on developing non-foil alternatives and source reduction. American Packaging successfully introduced an all-plastic die cut lidding specification that provided a 20% weight reduction, eliminated the conventional gel heat seal coating, and improved puncture resistance. Furthermore, an independent study performed by Allied Development showed a **45.9% less total energy consumption per unit** and **61.5% less Greenhouse Gas contribution per unit** over its foil counterpart.

American Packaging actively evaluates and trials PCR paper and PLA bio-polymer based specifications for a myriad of applications. We have aligned ourselves with suppliers that support our sustainability mission and have similar programs in place. American Packaging uses fiber suppliers with multiple environmental certifications including FSC and SFI.

Packaging optimization combined with the use of the latest eco-friendly materials will ultimately lead to improved packaging sustainability and cost reduction. American Packaging invested in the Wal-Mart Scorecard Module and LCA software to assist its customers on Basis Weight Reduction and Improving Product to Packaging Ratios for their products.

MATERIAL INNOVATION

American Packaging helped fund Rochester Institute of Technology's recent expansion. The new Packaging Innovation Center will focus on unique flexible packaging challenges, including sustainable efforts using Nanoclay composites, polyolefin/starch composites, and polymers produced from renewable waste products. The new Center was built to meet LEED Certification and opened 4/18/08.

THE GOLDEN RULE

LOVE THY NEIGHBOR

American Packaging and its employees actively participate in many community drives and charitable donations.

❖ COMMUNITY

- Red Cross Blood Drives held on-site
- Host annual City-wide Child Safety Day
- Adopt-a-Highway Cleanup
- Assisted in cleanup of Midwest Floods of '08
- Support of local school activities
- Participate and sponsor City parades
- Support local fire departments
- Support local food banks

❖ CHARITY

- Contributes yearly to Paul Newman's Hole in Wall Gang charity which sponsors a camp for terminally ill children with over \$1.5MM given
- Over \$40,000 dollars in pledges to United Way to support local community needs
- Ronald McDonald pledges and gift donations
- Salvation Army Angel Program
- Award High School Scholarships
- Gift donations at Christmas

SUPPLIER DIVERSITY

American Packaging adopted a Minority/Women Business Enterprise Development Policy to encourage the development of minority and women business enterprises and to promote equal business opportunities in the community. Our Diversity Program is on-going and we continually seek new suppliers who provide value and fit within the program.



PARTNERS IN SUSTAINABILITY:



TOGETHER WE CAN MAKE A DIFFERENCE

PROCESS IMPROVEMENTS

FINDING OUR FOOTPRINT

In July 2008, American Packaging joined the U.S. EPA Climate Leaders Program. It is an Industry-Government Partnership supporting sustainability through reduction in process related environmental impacts. This is a long-term commitment to GHG reduction. There are 200 U.S. companies taking lead roles in this program.

FACILITY & EQUIPMENT UPGRADES

American Packaging hired consultants to audit its facilities and make recommendations for improvements. Several energy initiatives were implemented with benefits realized in 2008.

Energy Efficient Lighting

- ❖ 547,274 KWH/yr savings
- ❖ Total GHG reduction 227 MTCO₂
 - Project cost: \$120M; 1st year savings \$20M

Reduction Compressed Air Leaks

- ❖ 376,270 KWH/yr savings
- ❖ Total GHG reduction 270 MTCO₂
 - Project cost: \$3M; 1st year savings \$26M

Managed Oxidizer Natural Gas Usage

- ❖ Total GHG reduction 500 MTCO₂
 - Project cost: \$0; 1st year savings \$106M

Reduced Ink/Solvent Wastes

- ❖ Water-based coatings, adhesives and inks for lower-to-zero VOCs

BEST OF THE BEST

FOR 2ND SUCCESSIVE YEAR AMERICAN PACKAGING NAMED "BEST OF THE BEST" IN BEST WORKPLACES IN THE AMERICAS

American Packaging has been awarded the Best Workplace in the Americas designation, Best of the Best 2008, for their exemplary human resources practices. The Award was created to honor printing companies that provide a superior work environment.

All of the winning companies actively show their employees that they care about their work environment, their personal goals and ambitions, as well as the needs of the company. Applicants were judged on eight criteria: Management Practices; Work Environment; Training and Development Opportunities; Financial Security; Workplace Health and Safety; Work-Life Balance; Recognition and Rewards; and Health and Wellness Programs.

SAFETY FIRST

American Packaging views its employees as its greatest asset. Safety has always been the highest priority. All American Packaging facilities are OSHA VPP STAR Worksites where they have created a successful sustainable safety culture through OSHA, Labor and Management working collectively. OSHA has recognized many best practices in Safety and Health at all American Packaging facilities. As a result there has been a reduction in both OSHA recordable cases and days away from work which have significantly lowered incident costs.

APC 2008 TCIR (Total Case Incident Rate) = 2.01

65% below Industry for Total OSHA Recordable Incidents

APC 2008 DART (Days Away Restricted Time) = 0.40

90% below Industry for cases resulting in restricted duty

APC 2008 had Zero Lost Time Incidents

2008 Cost of Injuries reduced 83% vs. 2007

EMPLOYEE ENRICHMENT

Encouragement is a fundamental objective at American Packaging. Generous college tuition reimbursement program is offered. On-site wellness screenings and weight management programs support healthy lifestyles. Paid vocational training offers employment advancement. Volunteering opportunities promote a sense of community and goodness.

RECYCLING

Education, communication and unyielding commitment from all employees allowed American Packaging to reduce its landfill disposal by 6,900 tons in 2008 vs. 2007.

The Difference* American Packaging Made in 2008:

- ❖ Saving 117,300 Mature Trees
representing more than 84,000,000 newspapers
- ❖ Saving 3,194,700 Gallons of Oil
representing heat/cool over 14,000 homes for 1 year
- ❖ Saving 165,600 Gallons of Gasoline
representing over 2,500,000 miles driven
- ❖ Saving 28,290,000 kw-hr of Electricity
representing annual electricity needs for 2,000 homes
- ❖ Saving 48,300,000 Gallons of Water
representing daily fresh water for 600,000 families

* Each ton of fiber recycled conserves: 17 mature trees; 463 gallons of oil; 24 gallons of gasoline; 4,100 kw-hrs of electricity; 7,000 gallons of water. Sources: U.S. Environmental Protection Agency, Institute of Scrap Recycling Industries, and Waste Management.

Environmental Friendly Disposal:

- ❖ Scrap incinerated for Electrical Generation
- ❖ Hazardous waste used in disposal site Fuel Blending

INVESTING IN THE FUTURE

American Packaging continuously invests in its people, equipment and facilities. Financial stability speaks volumes to the health of a company. American Packaging maintains a low debt to EBITDA ratio while continuing to expand at each facility. In 2008, over \$15MM dollars was spent to improve efficiencies and broaden our capabilities; enabling us to thrive while meeting the needs of our customers. In 2009, American Packaging will spend an additional \$15MM to further expand our capabilities.

Staying focused on the basics insures everyone's future.

Safety + Quality + Innovation + Sustainability = Progress

Each component of sustainability: Social, Economic and Environmental will continue to be an important factor in all of American Packaging business activities.

Sustainable is Attainable!