Opening Letter from the Manager of Corporate Sustainability

At Vericast, our environmental success relies on our employee participation, environmental training, and a commitment to continuous improvement and planning. The structure of the environmental system is built on cross-functional teamwork and personal responsibility. Vericast’s sustainability program continuously evaluates risks and progress, and mindfully builds robust partnerships from supplier to customer.

The journey to becoming more sustainable is not easy, but at Vericast we embrace big challenges.

Investments in Infrastructure
As part of our efforts to reduce energy, last year we reduced our emissions by 10% compared to our 2018 baseline. We continue to incorporate site-level energy reduction activities to further reduce our enterprise footprint. Our efforts can be seen through LED lighting replacements, energy efficiency software, and replacing machinery to enhance operational efficiency, profitability, and quality of services Vericast offers.

Regulatory Environment
Our corporate governance framework of environmental regulations is an integral part of the Vericast ethos. By enhancing this framework and strengthening protections, critical environmental challenges were addressed to further protect human health and the environment in 2022. Our main operating highlight this year was risk mitigation related to our operations and our supply chain through enhancement of the preventative action process—working collaboratively with on-site manufacturing personnel.

Looking Ahead
Alongside our customers, Vericast is committed to conducting business in an environmentally and socially ethical way. In this report, you will discover that by reflecting a responsible and sustainable governance structure throughout our entire value chain, we have anchored ourselves in KPI’s, a maturing environmental management system, and responsible purchasing to continue to operate sustainably for our employees and customers.

Sincerely,
Mindy Pierett
MSc, Environmental Policy, Economics, and Planning
Corporate Manager of Sustainability, Vericast
OUR COMMITMENT

Vericast believes sustainability, environmental protection, and corporate social responsibility are the foundation of our corporate citizenship. Our enterprise success relies on the planet for resources from paper to electricity that enable us to provide valuable products and services to our customers. While our businesses could be operated in many ways, we choose to be responsible with the resources we use, intentional with the sustainability architecture we build, and mindful of the legacy we leave behind.

As a reflection of our culture, we work together to improve today and deliver a better tomorrow.
Vericast Sustainability

Vericast has operations throughout North America (U.S. and Mexico) and is a wholly owned subsidiary of MacAndrews & Forbes Incorporated. In October 2018, Vericast received ISO 14001:2015 Environmental Management System Certification. This certification reflects the organization’s long-term commitment to environmental sustainability, protection, transparency, and customer satisfaction. Vericast works diligently to minimize negative impacts on the environment, manage internal capabilities to measure improvement, and drive sustainable performance. This effort helps build ongoing controls across the enterprise that drive systematic processes to reduce waste, conserve natural resources, and pursue more eco-friendly initiatives. For more information about our solutions, please visit: www.Vericast.com
Vericast Sustainability Governance

Corporate Governance

The impacts of climate-related issues and other material risks to Vericast are reviewed by executive leaders as part of regular Environmental Management System (EMS) Reviews. These reviews include participation from the COO and executive level oversight from global operations, compliance, and sustainability to ensure clear communication and compliance. As outlined in the Vericast Environmental Manual, provision of strategic leadership and oversight of the EMS provides risk management guidance to reduce enterprise environmental (including climate-related) risk and impact. Over the past 2 years, the executive leadership team approved sustainability goals that include a reduction of GHG emissions, water use and energy consumption and diversion of waste from landfills, with performance objectives established for 2030, 2040 and 2050—seen on page 9.

ESG Governance

Vericast’s Corporate Manager Sustainability provides guidance on all environmental, social, and corporate governance (ESG) matters including climate-related reputational and transitional risks and opportunities as this position oversees implementing and ensuring compliance with the policies in the EMS. Vericast continues to evaluate its sustainability performance through the Carbon Disclosure Project (CDP) and EcoVadis, a leading system for evaluating suppliers’ environmental aspects and social responsibility, and is on track to reach our corporate sustainability goals. These third-party ratings are an important achievement, illustrating Vericast’s commitment regarding sustainability and the continued improvement in this area.
Incentives for Climate-Related Issues for Employees

At Vericast’s corporate campus in San Antonio, Texas, we assigned parking preference options for employees who commute to work via low emission vehicles (LEV). Preferred parking for employees acknowledges their commitment to reducing emissions and encourages other employees to consider using LEVs, which may further reduce emissions released from conventional commuter vehicles. Additionally, Vericast leadership has implemented flexible work schedules for team members able to conduct their job functions remotely. Flexible work schedules in 2022 reduced travel into an office/facility and directly reduced costs (fuel, maintenance, etc.) for the employee while also reducing the CO2 emissions of Vericast (using the GHG Protocol). These incentives benefit the environment, health and safety, reduces logistics costs for the team member, as well as reduces carbon emissions by a minimum of 425 metric tons annually.

For Earth Day, employees were encouraged to explore outside and send in a photo they took along with a caption of what Earth Day means to you. This year’s winner:

Sofia Moran – San Antonio, TX
I rescued this nectarine tree from the clearance section in Lowes. It was not in good shape. I planted it and cared for it for 3 years now while getting healthier and larger each year. I protect it from the winter months and wait to make sure it blooms in the spring. I always get excited at its first blooms of spring.
/ OUR ACTIONS

- Operating Under Strategic Sustainability Architecture
- Enterprise-level Environmental Management System (EMS) ISO 14001 Certification
- Established Conforming EMSs in Over 35 Global Locations—inspected thru regular internal audits.
- Trained Over 5,000 Team Members on the Vericast Environmental Management System
- Secured Gold Certification for CoSA ReWorksSA Recycling
- Satisfying All Key Client Carbon/CSR Reporting
- Identified Advanced Energy Technologies (IoT/BMS/LED) to Reduce Impact, Drive Efficiency & Operational Resilience
- Received Environmental Regulatory Agency Program Inspections With No Notices of Violation
- Recycling Over 70 Million Pounds Annually
- Performing to Enterprise Sustainability Goals to Deliver Results Now and for Future Generations
- Committed to Delivering 100% Carbon Neutral Shipping by 2040
- Internally audit environmental aspects

/ OUR PERFORMANCE

Awarded “C” rating for Climate Change based on results from the 2022 CDP supplier survey for enterprise carbon reporting
2021 PERFORMANCE

2030 KPI

- Reduce GHG emissions by 10% (from CY2018 baseline) - 20%
- Reduce water use by 10% (from CY2018) - 10%
- Divert 95% of waste from landfill - 94%
- Reduce energy consumption by 10% (from CY2018 baseline) - 16%

GREEN PROCUREMENT PERFORMANCE
- Dispose 100% of electronic waste, recycling commodities, and industrial waste using certified responsible suppliers
- Purchase 100% of paper from responsible and sustainable forestry sources
### SUSTAINABILITY GOALS

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<th>Goal</th>
<th>2030</th>
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<tr>
<td>Reduce GHG emissions by:</td>
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- Committed to delivering 100% carbon neutral shipping by 2040
- Dispose 100% of electronic waste, recycling commodities, and industrial waste using certified responsible suppliers
- Purchase 100% of paper from responsible and sustainable forestry sources