

BUILDING A FUTURE THAT IS SECURE

SUSTAINABILITY REPORT 2023



ABOUT THE REPORT

The PHOENIX (“we,” “our,” “us,” the “company,” or “PHOENIX”) executive leadership team and Sustainability Committee are proud to release our inaugural 2023 Sustainability Report. In past years, we have published a Corporate Social Responsibility Report, which outlined the initiatives our company enacted to be a responsible corporate citizen. This Sustainability Report reflects the advancement and ambition of our programs toward greater rigor and disclosure. It outlines PHOENIX’s commitment to sustainability, highlights our progress to date, and describes our plans.

This report is prepared in reference to the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standard Board (SASB) for the Containers & Packaging industry for the period of November 1, 2022, through October 31, 2023.

For questions about this report, contact: greatpkg@phxpkg.com

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MESSAGE FROM THE CO-PRESIDENTS

We are excited to present our first formal report on PHOENIX's sustainability efforts detailing our commitment to making a positive impact on the environment, our people, and our communities. Being a family-owned company with a rich 134-year history, we believe responsible business practices have been essential to our longevity and can be seen in our actions and our products. Over the last several years, we have been taking significant, purposeful steps to drive these practices throughout our operations, and publishing this report is another sign of our continuing progress.

2023 was a year of tremendous growth in our sustainability program. Among our proudest accomplishments is having achieved the EcoVadis Bronze level rating on our first-ever assessment. Attaining this rating is a testament to the long-standing dedication we've applied to operating sustainably. We are also proud to expand our greenhouse gas inventory to include Scope 3 data to give a more holistic view of our impact. In addition, our design and commercialization teams have driven great innovation throughout our portfolio to offer post-consumer recycled materials, right-weighted parts, and packaging solutions that meet our customers' needs throughout the entire lifecycle of their products without compromising on performance or quality.

At PHOENIX, we understand our responsibility extends beyond our products and operations. We are committed to being respected corporate citizens and positively impacting the communities where we live and work. In 2023 we added a new community scholarship to our existing program to encourage post-secondary education. Our philanthropy program also continues to offer a variety of channels to support local initiatives, with our employees leading charity drives, utilizing company matching dollars, sponsoring nonprofit fundraising efforts, and utilizing paid Volunteer Time Off (VTO) to support the causes they're passionate about.

By doing this work, we are making a positive difference for our stakeholders and the planet, while also setting an example for others in our industry – an example that has been recognized with awards validating our efforts. For the second year in a row, PHOENIX was named the Supplier of the Year by the National Association of Container Distributors and was recognized for the first time as a finalist in the Social Responsibility category of the Valley Industrial Association's SPARK Award.

PHOENIX is committed to being responsible stewards of the environment and ensuring that our business practices benefit current and future generations. We encourage you to dive into this report and learn more about our journey, our evolution, and our path forward. Together, we can create a more sustainable future and a legacy that goes well beyond our 134 years.

Alby Miller & Giles Miller

PHOENIX Co-Presidents

At PHOENIX, we understand our responsibility extends beyond our products and operations. We are committed to being respected corporate citizens and positively impacting the communities where we live and work.





ABOUT PHOENIX CLOSURES

PHOENIX is a privately held packaging provider headquartered in Aurora, Illinois and operating throughout the United States. Our family-owned company has been creating packaging solutions for well over a century. For six generations, we have invented, re-invented, and patented seals, caps, and closures that have become industry standards. We invest heavily in our infrastructure of high-quality systems for packaging design, innovation, and production.

PHOENIX is committed to the security of our products, our customers' products, our employees, and our communities. Providing security goes beyond producing exceptional packaging; it requires a commitment to safety, quality, and integrity in the lives touched by every cap we make. PHOENIX strives to create, in collaboration with our employees and our communities, a legacy that inspires innovation, confidence, and trust.

At PHOENIX, we create long-term partnerships with clients in all industries. Our relationships have supported us for over a century, making us one of the most trusted packaging and plastic closure manufacturers in the industry.

Given the wide scope of customized products that clients can personalize with branding and design, we have made a mark in Food, Beverage, Consumer Healthcare, Ag-chemical, Industrial, Home Care, and Personal Care.

PURPOSE

PHOENIX aims to build a future that is secure

VISION

To be a growing, world-class, well-managed, relevant, privately-held plastic packaging provider

MISSION

To delight our customers and provide value to our stakeholders

CORE VALUES

Our core values define the attitudes, behaviors, and culture we actively foster at PHOENIX to enable both our people and our business to thrive.



SAFETY

PHOENIX safeguards our workforce, customers, and consumers by protecting our employees and producing safe, quality closures for the world's products and brands.



INTEGRITY & ACCOUNTABILITY

Our history, longevity, and commitment to delighting the customer are firmly rooted in doing the right thing to take care of our people and our product.



PHAMILY

We prioritize quality of life and well-being for each other and our communities through respect, support, and inclusion.



TEAMWORK & COLLABORATION

We lift each other up by working in partnership to achieve collective growth and success.



INNOVATION

Through innovation and forward-thinking solutions, we are dedicated to sustaining excellence and making tomorrow better than today.



THE HISTORY OF PHOENIX CLOSURES



1890

GLASS JARS & BAND CAP

Safe Glass Company is founded in Bowling Green, Ohio by Civil War Veteran John S. Giles.



1893

METAL CAPS

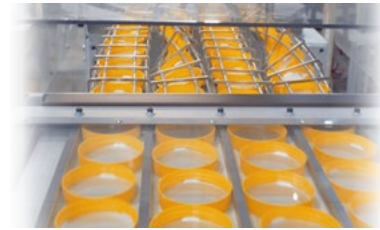
Phoenix Cap Company is founded. A.L. Weissenthanner shares his innovative metal cap with secure hermetic seal at Chicago World's Fair.



1939

COMPRESSION MOLDED PLASTIC CLOSURES

Phoenix Metal Cap manufactures its first **compression molded plastic closure**.



1960s

INJECTION MOLDED PLASTIC CLOSURES

Phoenix Closures begins using **injection molding** technology and focuses on automation for a wide range of **CT closures**, while expanding to become a North American leader.



NOW

PHOENIX expands offering beyond CT closures with **CRCs and dispensing closures and technologies**. **PHOENIX** continually improves efficiencies and innovation while dedicating resources focused on **sustainability**.



PHOENIX™ 2023 SUSTAINABILITY HIGHLIGHTS



NEW SUSTAINABILITY INITIATIVES

Invested in new resources to accelerate our pursuit of sustainability goals in future years



GREENHOUSE GAS INVENTORY

Published and baselined our first GHG inventory



ECOVADIS MEDAL

Earned an EcoVadis Bronze Medal in first EcoVadis assessment



SPARK AWARD FINALIST

Named a finalist in the Social Responsibility category for the Valley Industrial Association (VIA) SPARK Award



NACD SUPPLIER OF THE YEAR

Won Supplier of the Year from the National Association of Container Distributors (NACD) for the second straight year



BETTER PLANTS CHALLENGE

Achieved 6.5% energy intensity reduction against 2021 baseline



MESA NUTRA™

Released line of modern, light weight dispensing closures for consumer healthcare market



CULTURE TEAMS

Created [Culture Teams](#) for all sites; read more on pg. 12



PCR

Launched portfolio of three Post-Consumer Recycled (PCR) PP resins including food-contact safe and natural options

SUSTAINABILITY GOVERNANCE

Our sustainability initiatives are driven by our Sustainability Committee, a cross-departmental team with 15 members. Our Manager of Sustainability and Innovation leads the team and is dedicated to driving sustainability throughout the organization through ongoing engagement of employees at both the corporate office and at all manufacturing facilities. The Committee's work gains leadership support through the representation of our executive level members: VP of Quality and Corporate Social Responsibility, VP of Customer Success, VP of Strategy and Business Excellence, and VP of Engineering and Innovation. Our Co-Presidents oversee all actions of the company, including our sustainability initiatives.

During this past year, our Committee accomplished several key initiatives, including:

- Submitting our first response to EcoVadis, a sustainability benchmarking platform, and earning a bronze medal
- Becoming a participant in the U.S. Department of Energy's Better Plants Program (more information can be found in the [Planet section](#), pg. 20)
- Developing a goal to reduce energy intensity by 25% over our 2021 baseline by the end of 2031 across all our production facilities
- Preparing to publish this inaugural sustainability report
- Launching our Onyx and Spectrum Post-Consumer Recycled (PCR) PP materials
- Completing audits of our Davenport, Greencastle, and Newport facilities with the U.S. Department of Energy's Industrial Assessment Center
- Dedicating over 300 hours of continuing education for Sustainability Committee members in 2023

Currently, our Committee has established interim goals that are intended to aid PHOENIX in gaining a better understanding of where we are in our sustainability journey, the level of ambition we hope to achieve, and the resources that are necessary for us to accomplish future goals. These goals are covered throughout this report, and we will continue to review and refine these as an on-going practice.

CORPORATE GOVERNANCE LEADERSHIP

PHOENIX's Executive Staff Members serve as the company's highest governing body. This cross-functional team of 12 senior leaders is responsible for strategic and operational decision-making for the business and for assigning sufficient resources to develop, implement, maintain, and improve all policies and programs related to sustainability. To carry out this responsibility, the Executive Staff participates in an annual planning meeting during which the company's vision, mission, purpose, and values are reviewed for relevance and the most critical initiatives for strategic and sustainable business development are established for the upcoming year. To best support our sustainability initiatives, the Executive Staff has oversight of the availability, monitoring, and disclosure of data related to sustainability reporting. Additionally, several members of the Executive Staff serve on the Company's Sustainability Committee; Committee members routinely attend industry conferences and events; and all are regularly briefed on progress made on our sustainability initiatives.

PHOENIX is committed to ethical leadership in all business activities and has established policies, such as our EHS Policy, our Employee Handbook, and our Code of Conduct, to provide a safe, healthful workplace and to protect our employees and the environment while conserving energy and natural resources. All employees are trained regularly to comply with and report nonconformances to these policies, and we undertake both internal and third-party audits to verify compliance. To manage ethical and responsible business practices within our internal operation and supply chain, PHOENIX maintains compliance with Sedex, SMETA, and EcoVadis frameworks. If there is an instance when nonconformances are identified or brought to our attention, they are investigated to determine the root cause; corrections and corrective actions are developed and implemented to remediate the issue and prevent recurrence.

To foster an environment where employees and management feel comfortable communicating, PHOENIX supports an Open-Door Policy. This means that all managers are available with an "open door," and employees should feel free to talk with any manager at any time. All managers are expected to listen, to act when appropriate, and to assist in finding resolutions when needed.



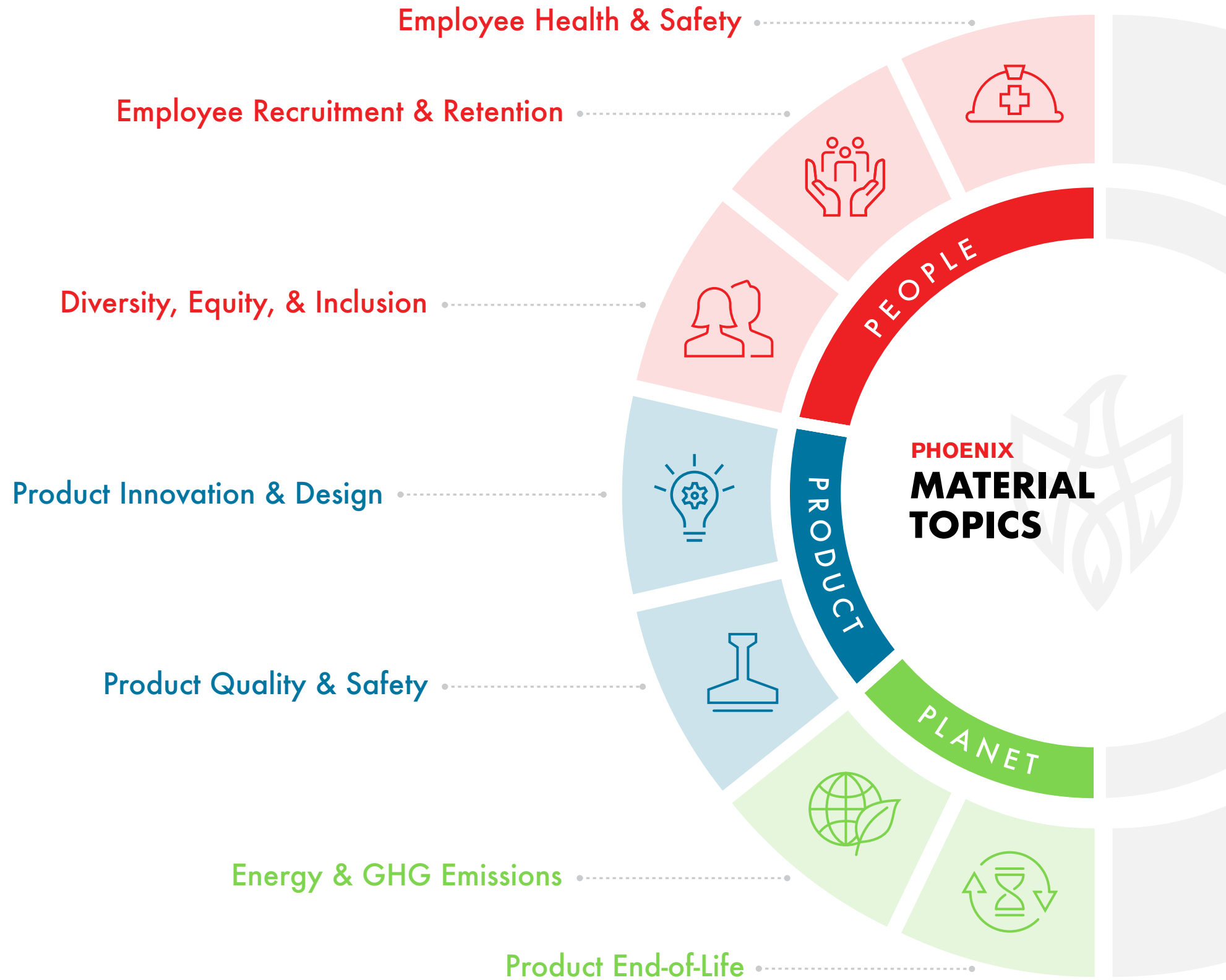
MATERIALITY ASSESSMENT

To determine our most significant sustainability impact areas, we conducted our first sustainability materiality assessment. This exercise provides the foundation for PHOENIX's sustainability strategy and gives us insight on where to prioritize our actions and communication efforts.

Our materiality assessment process included the following steps:

- 1 CONSULTATIVE INTERVIEWS** with diverse leaders across PHOENIX to discuss organizational priorities
- 2 INDUSTRY ANALYSIS** to benchmark our performance against key customers and peers
- 3 INTERNAL SURVEY** sent to PHOENIX employees
- 4 EVALUATION OF SUSTAINABILITY TOPICS** based on both financial and non-financial impacts, risks, and opportunities

Our analysis utilized the concept of double materiality, considering both financial materiality and broader impacts on the environment, economy, and society. We leveraged reporting frameworks, including GRI and SASB, to help inform the topics we considered. This assessment produced the list of our most important topics that we manage on an on-going basis and discuss as part of this report.



PEOPLE

PHOENIX would not be able to produce quality products without the people who work with us. That is why we have implemented programming, benefits, and policies that enable our employees to feel safe, secure, and empowered to support causes that are important to them.

Policies such as our Environmental, Health, and Safety (EHS) Policy and our Diversity, Equity, and Inclusion (DEI) Framework govern the impact areas seen throughout this section. The policies are implemented, upheld, and maintained by our VP of Quality and Corporate Social Responsibility and our VP of Human Resources.

MATERIAL TOPICS



Employee Health & Safety



Employee Recruitment & Retention



Diversity, Equity, & Inclusion



EMPLOYEE HEALTH & SAFETY

MANAGEMENT APPROACH

Safety in the workplace is PHOENIX's number one priority. We promote a safe and healthy workplace by building safety awareness into our company culture and incorporating safety into the design and operation of our facilities. We have implemented policies that have the objective to cultivate an environment where employees come to work each day knowing they are safe and supported.

The effects of these policies can be seen at all PHOENIX locations, which have chartered their own Safety Committees to manage the resources needed to implement safeguards and procedures. PHOENIX's Safety Committees are comprised of approximately 12 employees from various departments at each of our facilities. They conduct routine audits to identify potential hazards and assess the effectiveness of safety procedures. Led by Safety Coordinators, Safety Committees meet monthly to review audit results, discuss emerging issues, and develop necessary corrective actions, which are then communicated to employees through various channels to raise awareness. Each facility's Safety Coordinator is also responsible for the regular review of the site safety maps, the ongoing oversight of OSHA compliance, and the periodic maintenance of safety equipment (e.g. fire extinguishers, first-aid kits, eye wash stations, and AEDs).

To continually improve our health and safety program, our Open-Door Policy encourages employees to communicate safety concerns, remove themselves from unsafe working situations, and identify improvement opportunities. The policy makes it a priority for the manager to listen and respond to the communications from employees and protects employees from retaliation of reporting.

SEDEX MANUAL

As a proud member of the Supplier Ethical Data Exchange (Sedex), we have invested in the opportunity to significantly enhance the health and safety of employees. Sedex is a global non-profit membership organization dedicated to driving improvements in responsible and ethical business practices within global supply chains. It provides a secure online platform for companies to share and manage data on labor standards, health and safety, the environment, and business ethics.



Through the platform we evaluate our adherence to health and safety standards and monitor our compliance with robust safety protocols and ethical practices. Additionally, the program allows PHOENIX to report our actions to our customers. This transparency fosters a culture of accountability and continuous improvement, allowing us to identify potential risks and implement corrective actions proactively.

Driven by our participation, we have implemented a company-wide Sedex management approach to health and safety. Our Sedex Manual spells out the policies, procedures, and records that PHOENIX implements and maintains to operate all aspects of the business in a safe, ethical, and socially responsible manner. These procedures span from routine equipment inspections and emergency response drills to vendor approval requirements and safe handling of machinery and chemicals. All employees must be trained in key safety topics annually under the requirements. The Corporate Sedex Coordinator works in conjunction with local Sedex Coordinators to ensure PHOENIX remains compliant with the Manual.



GOAL

- We are currently reviewing and finalizing potential health and safety goals that can be reported on next year

PERFORMANCE

2023 EMPLOYEE HEALTH & SAFETY

Total Recordable Incident Rate (TRIR)	1.60
Recordable Incidents	8
Fatalities	0
Cases of Illness	0
Number of Health & Safety Training Hours Delivered	11,392

EMPLOYEE RECRUITMENT & RETENTION

MANAGEMENT APPROACH

PHOENIX believes its people are its most valuable assets. To reflect this, we place strong emphasis on hiring the right people with the right skills with the intent of creating a workplace that supports employees' long-term professional development and promotes a healthy company culture where employees feel welcome. By prioritizing a culture of transparency, ownership, and mutual success, we solidify our position as an employer of choice in the industry.

We offer benefit packages to provide our employees with the support and resources they need to succeed both personally and professionally, which include:

- 401k retirement savings program
- Paid time off for holidays, vacation days, volunteering, and sick/personal days
- Paid parental leave
- Medical, Group Life/AD&D
- Flexible spending plans for health care and dependent care
- Educational assistance and training
- Scholarships and tuition reimbursement
- Employee assistance programs (EAP)
- Short- and long-term disability assistance
- Military family leave

PROFESSIONAL GROWTH

To support our employees' professional growth, we conduct performance reviews for all employees, including Executive Staff, during their introductory period and on an annual basis thereafter, with several opportunities to give and receive feedback throughout the year. Outside of work, we offer 85% tuition reimbursement for job development classes and 50% reimbursement for the associated course supplies because we believe that hands-on learning experiences are key to nurturing our employees' ambitions and growing their capabilities. Employees have several opportunities to pick up new skills or enhance their current roles by participating in technical peer-led committees, regular internal mentoring, and coaching programs that are available at all sites. These practices allow our employees to have the freedom and the tools to achieve their growth ambitions at PHOENIX.



By prioritizing a culture of transparency, ownership, and mutual success, we solidify our position as an employer of choice in the industry



GOAL

- **Develop and implement enhanced tools for performance feedback and talent assessment**

PERFORMANCE

2023 EMPLOYEE TYPE BREAKDOWN

	Total	Percent
Female workers	113	22%
Male workers	397	78%
Permanent workers	510	98%
Temporary workers	9	2%
Full-time workers	506	99%
Part-time workers	4	1%
New hires	137	n/a

EXECUTIVE STAFF BREAKDOWN

Executive staff who identify as Women	42%
Executive staff who identify as POC	8%

DIVERSITY, EQUITY, & INCLUSION

MANAGEMENT APPROACH

PHOENIX values the diverse perspectives of its employees and seeks to maintain an inclusive and respectful work environment. We provide equal opportunities and reasonable accommodations for all employees, celebrate workforce diversity, and seek to build partnerships with diverse suppliers.

Our values surrounding DEI are supported by our Diversity, Equity, & Inclusion Management Framework developed by PHOENIX's Vice President of Quality and Corporate Social Responsibility. This framework establishes the guiding principles for inclusivity practices at PHOENIX. It encompasses aspects including hiring and recruitment, career development and training, employee engagement, and supplier diversity. In the future, we plan to enhance the framework by making it more action-focused with clear steps for a phased implementation across locations.

GOALS

- Deliver training on sustainable procurement practices to 100% of procurement personnel
- Develop and implement a formalized Sustainable Procurement Policy
- Develop and launch company-wide engagement survey



CULTURE TEAMS

All PHOENIX locations have culture teams that any employee may join voluntarily to organize events that strengthen the workplace culture in their respective locations, sometimes centering on holidays and heritage months such as Black History Month, Hispanic Heritage Month, and Veterans Day, and other times focusing on a shared interest in giving back to local charities and community organizations.

Each culture team has developed a charter that details the organization of their Committee. Since the launch of these culture teams in 2023, each facility has been more intentional about strengthening and enhancing employee engagement.

Supporting non-profits in each facility's community is also facilitated through these culture teams. Each team is given the autonomy to decide how and when to host collection drives, participate in group volunteering, and distribute their annual giving budget based on employee feedback and local needs.

Culture teams aim to strengthen workplace culture and enhance employee engagement



COMMUNITY ENGAGEMENT

Giving back to the community is a legacy that transcends 130+ years of PHOENIX's company history. The Giles and Miller families' enthusiastic support of our philanthropic endeavors in turn enables us to support meaningful causes through employee donation matching and community giving.

EMPLOYEE DONATION MATCHING:

Our employees across all our locations know their communities best. We match employee donations to local organizations of their choosing because what's important to our PHOENIX Family, or Phamily, is also important to us.

COMMUNITY GIVING:

We have supported local community organizations that advocate for causes such as family and youth development, women's empowerment, financial security, food security, and animal welfare through direct charitable giving and employee volunteering.

EMPLOYEE VOLUNTEERING:

All employees are given eight annual hours of paid volunteer time off (VTO) to volunteer at qualified non-profit organizations.





COMMUNITY ENGAGEMENT

228

HOURS dedicated by PHOENIX employees to nonprofits through their VTO

100%

of all PHOENIX locations participating in charitable giving and team collection drives

43

different organizations supported by employee donations and company sponsorships

SCHOLARSHIP OFFERINGS:

Each year, PHOENIX offers four scholarships to the families of PHOENIX employees to help them pursue higher education. Each scholarship awards \$2,500 per year to the recipient and is renewable for four years based on meeting grade requirements.

- The **Raymond A. Kohs Scholarship** is PHOENIX's longest-standing scholarship. This scholarship is available to a child of a PHOENIX employee continuing their secondary education in any degree concentration.
- In 2019, PHOENIX introduced the **David N. Moore STEM Scholarship** to meet the needs of our employees' children looking to further their education with a degree in Science, Technology, Engineering, or Mathematics.
- The **Ed Buck Scholarship** was added in 2021, expanding the PHOENIX scholarship offerings to include an opportunity for a child or a spouse of any full-time employee to continue their education in any degree concentration.

In 2023, PHOENIX extended our recognition of academic achievement beyond employees and established the **Jeff Davis Naperville Community Scholarship** honoring the former Senior Vice President upon his retirement. This scholarship is available to a resident of Naperville, Illinois, entering college.

Investing in the next generation of manufacturing talent is also important to PHOENIX as it is crucial to the future of our business. We strongly advocate for education, development, and trade-based career programming for youth and young adults and have committed resources to sponsor a variety of K-12 programs and events, such as the Business INCubator Entrepreneurship Course for high school students in Naperville Community Unit School District 203.



2023 Scholarship Recipients

BUSINESS INCUBATOR PROGRAM

As part of a local school district's Career Technical Education curriculum, this program is an annual course that aims to connect industry professionals with high school students and inspire entrepreneurship. The program allows students to gain more insights into the

manufacturing industry and learn valuable business skills from concept development to pitching to potential investors. PHOENIX developed and has been leading the manufacturing module of this program for three years and plans to continue supporting students in this way.





INCLUSIVE WELLNESS

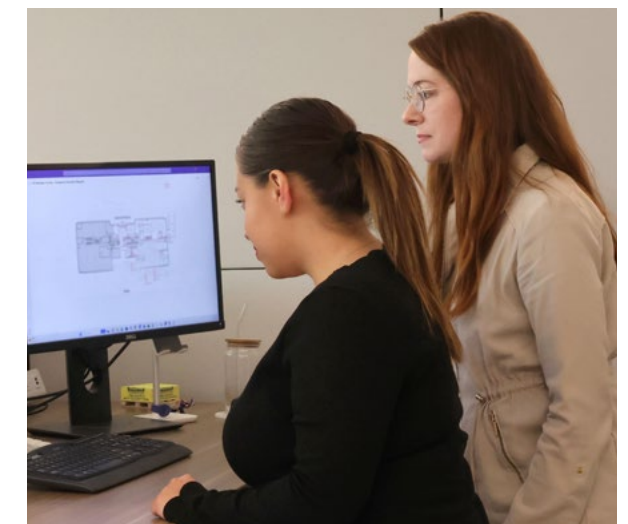
We prioritize gender and ability inclusiveness in our wellness amenities and allow our employees to nurture their body, mind, and spirit. For example, in our newest PHOENIX locations, we were able to design and construct permanent wellness rooms for lactating mothers to express milk in privacy. Equipped with comfortable seating and refrigerators for storage of breast milk, the wellness rooms ensure that all nursing mothers feel supported at work. These rooms are also intended to serve as a private space for worship for those who are observing religious traditions or for any employee who wishes to reserve a temporary space for quiet reflection. The new wellness rooms provide a model for our other locations to offer a similar space when the need arises.

INCLUSIVE HIRING

To promote inclusive hiring, PHOENIX's job postings utilize inclusive language by focusing solely on core skills and competencies and refrain from utilizing personality traits that are gender-specific or not truly relevant to a job. A broad panel of employees is involved in the interview process to give the candidates opportunities to interact with a diverse group of interviewers. PHOENIX also practices Fair Chance Hiring, and the results of background checks on potential hires are evaluated with compassion and pragmatism, as we want to extend opportunities whenever possible.

SUPPLIER DIVERSITY

Outside our four walls, we seek to promote economic opportunities for minority-owned, women-owned, and other underrepresented businesses within our supply chain. In 2023, we began to investigate how to better measure our diverse spending and improve our supplier approval process to allow greater access to diverse suppliers. During this time, we also sent a PHOENIX representative to attend the National Minority Supplier Development Council (NMSDC) Annual Conference & Exchange to expand our awareness of and access to a broader base of diverse suppliers.



PRODUCT

PHOENIX is a full-service, Safe Quality Food (SQF)-certified manufacturer of plastic closures, and we pride ourselves on being a partner to our customers from the first sketch on a cocktail napkin to the final fully functional molded cap. It is our company culture to marry innovation with reliability – whether they are seeking custom looks or standard closure designs, we are committed to helping our customers find the best solution to meet their needs.

PHOENIX's commitment to sustainability helps us to think beyond the closure and consider our products' downstream impacts on our people, local communities, and the environment. As one example, we offer alternatives to virgin plastics and pursue source material reduction while still servicing customer needs and meeting stringent food safety and quality standards. Due to the nature of our products and their direct contact with food, we needed to identify alternative materials that met or surpassed the same quality standards as our virgin materials. We were unflinchingly intentional about choosing high-quality materials that would uphold the various regulations we are subject to. It was only in this way that we were able to provide customers and end users with a product that truly is safe to use in direct food contact applications.

MATERIAL TOPICS



Product Innovation & Design



Product Quality & Safety



PRODUCT INNOVATION & DESIGN

MANAGEMENT APPROACH

Customer-centric innovation drives PHOENIX products and allows us to build trust and foster long-term business relationships. The innovation and design process at PHOENIX is a result of cross-functional collaboration on market research, consumer focus groups, and concept development between the Engineering Department and the Marketing Department. We engage our customers and suppliers throughout our four-phase design process, tailoring solutions to their unique needs.

As consumer preferences evolve to be more environmentally conscious, we adapt by integrating sustainable design principles throughout the product development process.



GOAL

- **Baseline current available data and state a commitment in 2024**

CASE STUDIES

RIGHT-WEIGHTING

Product “right-weighting” remains one of our most impactful initiatives to reduce environmental impacts, supported by the Lifecycle Assessments (LCAs) performed on our products. Right-weighting is our practice of improving our design and material selection to minimize unnecessary materials while retaining product performance and quality. Our lighter caps utilize less material, reducing the amount of plastic in landfills. Producing lighter caps consumes less energy due to shortened molding cycles and leads to higher case counts, which means the caps use less warehouse space to store and fewer shipments to transport.



This ultimately leads to a significant reduction in GHG emissions.

As an example, we recently optimized our 53-400 ribbed closure to achieve a 15% weight reduction without compromising its structural integrity, desired functionality, and visual aesthetic. This reduction resulted in a 73,000-lb savings in annual resin usage and a 219,000-lb reduction in CO₂e emissions.

Optimized rib closure resulted in 219,000 lb reduction in CO₂e emissions

INNOVATION FOR QUALITY

In addition to right-weighting, our product development team continues to evaluate alternative options for our source resins to make closures, including Post-Consumer Recycled (PCR) resins, Post-Industrial Recycled (PIR) resins, bio-based resins, biodegradable resins, and resin additives. Other projects are also in the queue to evaluate alternate colorants and lining materials.

Recently, PHOENIX launched food-contact safe PCR PP with a portfolio of three options to suit any need. This innovation is crucial toward helping our customers comply with emerging legislation that calls for Extended Producer Responsibility (EPR) and/or requires PCR content minimums.



PHOENIX launched food-contact safe PCR PP with a portfolio of three options to suit any need

PRODUCT QUALITY & SAFETY

MANAGEMENT APPROACH

Guided by the principles shown in the model to the right, PHOENIX's Quality Management System seeks to deliver flexibility and innovation, drive compliance and consistency, and uphold high safety standards in our products and manufacturing process.

Every PHOENIX facility maintains a Hazard Analysis Critical Control Point (HACCP)-based food safety plan that all employees are required to follow. We regularly review the production process and identify potential chemical, physical, and biological hazards that could pose risks to consumers. To minimize food safety risks, control measures are implemented at various points throughout the process to reduce or eliminate the identified hazards. All new products, new tooling, and new changes to formulation or processing are subject to a multi-phase qualification process led by the Engineering Team to ensure the changes maintain our quality and product safety standards.



We use rigorous statistical process controls on our machinery during production to monitor critical process parameters in real time. These controls will trigger visual alarms to notify our technicians of any changes needed to maintain our process control standards and key product quality attributes.

Complaints and defects are tracked over time to watch for trends and opportunities for improvement. When nonconformances are identified, we conduct a thorough investigation to determine root cause and apply the appropriate corrective actions. It's important to note that we celebrate the internal identification and reporting of defects; in fact, each facility sets a target to generate a minimum number of Process Correction Reports every year. This metric drives the behaviors we want our employees to demonstrate when it comes to preserving quality and safety: careful, continuous attention to the product and process; early communication of emerging issues; and collaborative troubleshooting to correct the defect and prevent reoccurrence. It is this "Find It, Fix It" mentality that enables us to maintain the high standard of quality and product safety that builds trust with our customers and end users.



GOAL

- Maintain 0 issues of consumer health and safety non-compliance per year

We bolster this foundation of trust by maintaining one or more 3rd party certifications across all manufacturing locations. PHOENIX is a certified manufacturer of single-service closures for milk and milk products in accordance with the Interstate Milk Shipper List and the FDA Grade A Pasteurized Milk Ordinance. In addition, all PHOENIX facilities continue to be Safe Quality Food (SQF) certified and have consistently earned the highest possible rating of "Excellent" (scores of 96-100) during their recertification audits for several consecutive years.

PERFORMANCE

Specifically, our facilities are certified under the [Food Safety Code for the Manufacture of Food Packaging](#), a Global Food Safety Initiative (GFSI) benchmarked scheme that is designed to facilitate compliance with industry, customer, and regulatory requirements throughout the food supply chain. The rigor and discipline with which PHOENIX employees uphold the hundreds of standards within the Code are a testament of the company's deep and long-standing commitment to quality.

SQF AUDIT SCORES

Bloomington, IN	99/100
Davenport, IA	99/100
Greencastle, IN	99/100
Newport, TN	99/100

Excellent Rating at all Locations

ZERO incidents of non-compliance concerning the health and safety impacts of products and services

PLANET

Guided by our Environmental, Health, & Safety Policy we are committed to environmental stewardship in all business activities. PHOENIX strives to have a positive impact on the communities where we operate, improve our operations to minimize waste and pollution, and conserve natural resources whenever possible within our value chain.

Identifying improvement opportunities requires us to consistently monitor our impacts. To accomplish this, we have created Environmental Scorecards for each of our facilities. These scorecards track electricity and water usage, waste to landfill, and pounds of resins sold. This data is then analyzed by our Sustainability Committee to make improvement recommendations and business decisions.

MATERIAL TOPICS



Energy & Greenhouse Gas Emissions



Product End-of-Life



ENERGY & GREENHOUSE GAS EMISSIONS

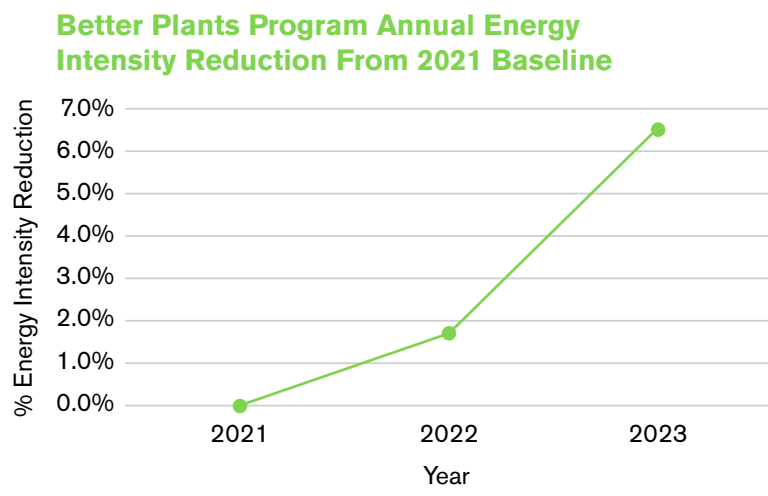
MANAGEMENT APPROACH

PHOENIX understands that as an energy-intensive manufacturer, reducing our energy consumption and greenhouse gas (GHG) emissions is both our responsibility and an opportunity to reduce costs and improve operational efficiency. To guide our efforts, we have established an energy intensity reduction goal of 25% by 2031 over our baseline year of 2021. Currently, we have reduced our energy intensity by 9%. Also, we have conducted full Scope 1, 2, and 3 emissions inventories.

Looking forward, we are exploring further initiatives to continue reducing our energy intensity to make progress toward achieving our reduction goal. We also plan to take the findings from our emissions inventory to establish emissions goals for PHOENIX within the next year.

BETTER PLANTS PROGRAM

PHOENIX is a proud partner of the [U.S. Department of Energy's Better Plants Program](#). This program helps industrial organizations set and meet environmental reduction targets. Joining this program has allowed us to validate good energy practices and provide relevant training for plant engineers and maintenance staff. It also provided guidance for us to set the goal of reducing our energy intensity by 25% by 2031.



PARTNERSHIP WITH ENERGY PROVIDERS

In partnership with energy providers like MidAmerica Energy and Tennessee Valley Authority, we leverage renewable and carbon-free energy sources to power our Iowa and Tennessee facilities. In 2022, 52% of our Tennessee facility's energy and 100% of our Iowa facility's electricity were from carbon-free sources. We are now using these initiatives to learn how we might expand our use of carbon-free power at our other facilities. We also are exploring the feasibility of investing in solar panels at our facilities for on-site renewable energy generation.

ENERGY EFFICIENCY

To reduce our energy consumption, we have implemented various efficiency initiatives, including energy-efficient lighting, prioritizing natural cooling, and installing closed-loop water cooling systems on our molding machines. Our Innovation Team leverages a combination of CAD simulation tools, 3D printing, and decades of experience to optimize our product designs, resulting in less waste and scrap in our R&D processes.

GOALS

- Reducing our energy intensity by 25%, over our baseline of 2021 by 2031
- Establish a Greenhouse Gas Emissions reduction goal

STACKING

Our innovation of packaging our caps using a patented stacking method has optimized packaging space and increased transportation efficiency. Stacking also provides protection to caps by minimizing direct contact and prevents shifting during handling and shipping. This prevents quality defects and eliminates waste. In our latest Lifecycle Assessment (LCA), our EcoStack 120-400-9639 closure, which replaced an older non-stackable cap, has shown to produce a 22.3% reduction in Global Warming Potential and a 47% reduction in truckloads needed during transportation. It also has the benefit of being "right-weighted" and saves 10,300 pounds of plastic per million caps.

Maximized pack counts means more efficient shipping and fewer GHG emissions

Up to 87% more closures in every pack



PERFORMANCE

PHOENIX baselined our GHG inventory for 2023 which covered our Scope 1, 2, and 3 emissions. The exercise considered our emissions associated with natural gas usage, purchased electricity, and all other upstream purchasing and accounting activities. In 2023, we have recorded a total of 185,045 metric tons of Scope 1, 2, and 3 emissions, which is equivalent to 0.0032 MT CO₂e per lb of resin consumed.

ENERGY USAGE

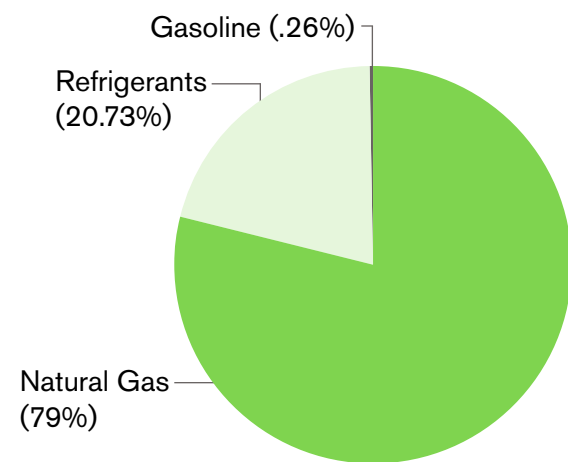
Energy Consumption	205,202 GJ
Energy Intensity	0.00352 GJ/resin lb

GREENHOUSE GAS EMISSIONS

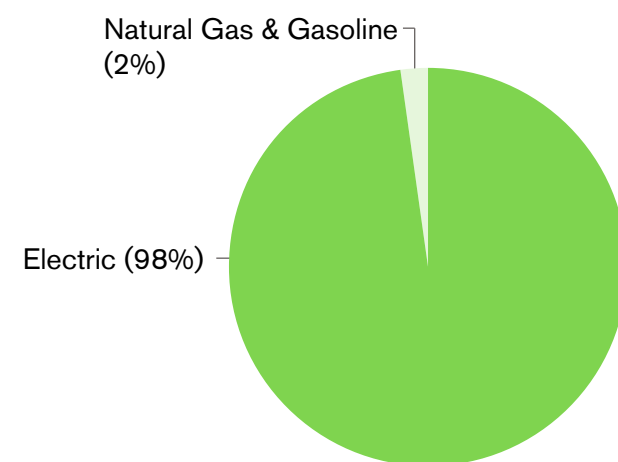
Scope 1	Scope 2*	Scope 3	Emissions Intensity
769 MT CO ₂ e	23,607 MT CO ₂ e	160,658 MT CO ₂ e	0.00318 MT CO ₂ e/lb resin

*Market-based

SCOPE 1 EMISSIONS BREAKDOWN



SCOPE 1+2 EMISSIONS BREAKDOWN (market-based)



98% of our Scope 1 +2 emissions came from electric



SCOPE 3 EMISSIONS BREAKDOWN

Scope 3 Emissions Categories	Emissions (MT CO ₂ e)
Purchased Goods & Services	136,509
Capital Goods	2,419
Fuel- and Energy-related Activities	7,024
Upstream Transportation and Distribution	2,306
Waste Generated in Operations	1,278
Business Travel	254
Employee Commuting	886
Downstream Transportation and Distribution	433
End-of-Life Treatment of Sold Products	7,977
Downstream Leased Assets	1,571
Total	160,658

PRODUCT END-OF-LIFE

MANAGEMENT APPROACH

At PHOENIX, we hold ourselves responsible for following our products through their lifecycles, taking into consideration their design and their end-of-life. To fully understand the impacts of our products' lifecycles we leverage CAD simulation and Lifecycle Analysis (LCA) to optimize package design for resource conservation and energy reduction.

To make an impact on the end-of-life of our product, we engage our customers and end users in the recyclability of our products. For example, Resin Identification Codes (RIC) are typically shown as a number inside the "chasing arrows." These are molded on the inside of many of our closures to specify the plastic resin type used to produce a cap. These symbols allow end users to properly sort and divert recyclable products from landfills. We also provide recyclability statements for our customers so they have full transparency on how and why our products can be recycled. In addition, dedicated social media posts on LinkedIn, Facebook, Instagram, and YouTube are all channels we use to raise end-of-life awareness among consumers.

As a member of the Sustainable Packaging Coalition (SPC) and the Association of Plastics Recyclers (APR), our team stays apprised of the best practices, latest regulations, and newest technologies. We ensure our product design team follows APR guidelines to maintain compatibility within recycling streams, promoting a circular economy.

PHOENIX's corporate location is the first among all sites to have established an office recycling program to recycle both standard and hard-to-recycle items. Oversight of the single-stream recycling effort falls under the purview of the Recycling Committee, a subcommittee of the Sustainability Committee. Employees have attended educational lunch & learn sessions with Waste Management, Inc. (WM) and stay informed about the respective recycling procedures through our quarterly newsletter. Looking ahead, we plan on scaling up the recycling program to all PHOENIX locations.



MEMBERSHIPS

As a member of the Sustainable Packaging Coalition (SPC) and the Association of Plastics Recyclers (APR), our team stays apprised of the best practices, latest regulations, and newest technologies.



PHOENIX works to raise end-of-life awareness among customers through social media



APPENDIX

GRI REPORT

SECTION	DISCLOSURE	LOCATION
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	About PHOENIX, pg. 4.
	2-2 Entities included in the organization's sustainability reporting	About the Report, pg. 2.
	2-3 Reporting period, frequency and contact point	About the Report, pg. 2.
	2-4 Restatements of information	No restatements for the 2023 report.
	2-5 External assurance	We are currently not seeking external assurance.
	2-6 Activities, value chain and other business relationships	About PHOENIX, pg. 4.
	2-7 Employees	Employee Recruitment & Retention, pg. 11.
	2-8 Workers who are not employees	PHOENIX will not be reporting on this for the 2023 report; however, we will look for opportunities to report on this in the future.
	2-9 Governance structure and composition	Corporate Governance Leadership, pg. 7.
	2-10 Nomination and selection of the highest governance body	As a privately held company, there is no nomination process for members of the Executive Staff.
	2-11 Chair of the highest governance body	The Executive Staff does not have a chair. Albert R. Miller II and H. Giles Miller serve as company Co-Presidents. Albert R. Miller serves as CEO.
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Leadership, pg. 7.
	2-13 Delegation of responsibility for managing impacts	All positions at PHOENIX are assigned a designated backup. All employees are trained and expected to comply with best practices in recordkeeping to assure integrity of data related to impact reporting.

GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Leadership, pg. 7.
	2-15 Conflicts of interest	All PHOENIX employees are trained to comply with a formal Code of Conduct and additional policies set forth in the Employee Handbook to ensure all business is conducted in an honest and ethical manner.
	2-16 Communication of critical concerns	The process and expectations for reporting concerns are described both in the Employee Handbook and in supporting policies and training materials.
	2-17 Collective knowledge of the highest governance body	Corporate Governance Leadership, pg. 7.
	2-18 Evaluation of the performance of the highest governance body	Employee Recruitment & Retention, pg. 11.
	2-19 Remuneration policies	For reasons of confidentiality, PHOENIX does not publish specific details about salary and remuneration.
	2-20 Process to determine remuneration	For reasons of confidentiality, PHOENIX does not publish specific details about salary and remuneration.
	2-21 Annual total compensation ratio	For reasons of confidentiality, PHOENIX does not publish specific details about salary and remuneration.
	2-22 Statement on sustainable development strategy	Letter from the Co-Presidents, pg. 3.
	2-23 Policy commitments	Sustainability Governance, pg. 7.
	2-24 Embedding policy commitments	Corporate Governance Leadership, pg. 7.
	2-25 Processes to remediate negative impacts	Corporate Governance Leadership, pg. 7.
	2-26 Mechanisms for seeking advice and raising concerns	PHOENIX's Whistleblower Policy details how employees may safely raise concerns regarding unethical business behavior without fear of reprisal. This can be done by contacting their supervisor or a Human Resources representative directly.
	2-27 Compliance with laws and regulations	PHOENIX had 0 instances of non-compliance with laws and regulations during the reporting period.
	2-28 Membership associations	Valley Industrial Association, Illinois Manufacturers' Association, National Association of Container Distributors, Sustainable Packaging Coalition, Better Plants, Association of Plastic Recyclers.
2-29 Approach to stakeholder engagement	Materiality Assessment, pg. 8.	
2-30 Collective bargaining agreements	6% of our employees are covered by collective bargaining agreements.	

MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment, pg. 8.
	3-2 List of material topics	Materiality Assessment, pg. 8.
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Innovation and Design, pg. 18.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	PHOENIX's standard raw materials are food-contact safe resins.
	301-2 Recycled input materials used	This disclosure is not applicable to PHOENIX at this time.
	301-3 Reclaimed products and their packaging materials	Product Innovation and Design, pg. 18.
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy & Greenhouse Gas Emissions, pg. 21-22.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy & Greenhouse Gas Emissions, pg. 21-22.
	302-2 Energy consumption outside of the organization	Energy & Greenhouse Gas Emissions, pg. 21-22.
	302-3 Energy intensity	Energy & Greenhouse Gas Emissions, pg. 21-22.
	302-4 Reduction of energy consumption	An energy baseline was calculated during this reporting cycle; therefore, we aim to report on reduction in future years.
	302-5 Reductions in energy requirements of products and services	Not applicable; Phoenix Closures sold products do not require energy consumption for use.
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy & Greenhouse Gas Emissions, pg. 21-22.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy & Greenhouse Gas Emissions, pg. 21-22.
	305-2 Energy indirect (Scope 2) GHG emissions	Energy & Greenhouse Gas Emissions, pg. 21-22.
	305-3 Other indirect (Scope 3) GHG emissions	Energy & Greenhouse Gas Emissions, pg. 21-22.
	305-4 GHG emissions intensity	Energy & Greenhouse Gas Emissions, pg. 21-22.
	305-5 Reduction of GHG emissions	A GHG Emissions baseline was calculated during this reporting cycle; therefore, we aim to report on reduction in future years.

GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Ozone Depleting Substances are not identified as a critically material indicator by our stakeholders. Nevertheless, we collect data regarding refrigerants lost to the atmosphere at the site level and report consolidated information to the global level. Our metrics collection system identifies various types of refrigerants: HFC-134A, R-404A, R-22, R-442B.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	These have been considered and included as part of our GHG Scope 1 calculation.
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Recruitment & Retention, pg. 11.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Recruitment & Retention, pg. 11.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Recruitment & Retention, pg. 11.
	401-3 Parental leave	PHOENIX grants family leave in accordance with the requirements of applicable federal and state law.
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Health & Safety, pg. 10.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health & Safety, pg. 10.
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health & Safety, pg. 10.
	403-3 Occupational health services	Employee Health & Safety, pg. 10.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health & Safety, pg. 10.
	403-5 Worker training on occupational health and safety	Employee Health & Safety, pg. 10.
	403-6 Promotion of worker health	Employee Health & Safety, pg. 10.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health & Safety, pg. 10.
	403-8 Workers covered by an occupational health and safety management system	Employee Health & Safety, pg. 10.
	403-9 Work-related injuries	Employee Health & Safety, pg. 10.
	403-10 Work-related ill health	Employee Health & Safety, pg. 10.

Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity Equity & Inclusion, pg. 12.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity Equity & Inclusion, pg. 12 and Corporate Governance Leadership, pg. 7.
	405-2 Ratio of basic salary and remuneration of women to men	For reasons of confidentiality, Phoenix Closures does not publish specific details about salary and remuneration.
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Quality & Safety, pg. 19.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Our products go through rigorous regulatory, safety, and quality gateways throughout development, manufacturing and post-market. This ensures that they consistently meet our high safety and quality standards. Regulatory compliance documents available. HACCP plans for each site.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	PHOENIX had 0 incidents of non-compliance concerning product health and safety during the reporting period.

SASB REPORT

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE
Greenhouse Gas Emissions	Amount of production, by substrate	Quantitative	RT-CP-000.A	Due to confidentiality, PHOENIX is currently not able to disclose this information.
	Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic	Quantitative	RT-CP-000.B	During the reporting period, 100% of PHOENIX production was plastic.
	Number of employees	Quantitative	RT-CP-000.C	As of October 31, 2023, PHOENIX had 510 employees across all locations. For employee breakdowns and more information please see section Employee Recruitment and Retention, pg. 11.
	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations (examples include cap and trade, carbon tax, carbon fee, other emission control mechanisms)	Quantitative	RT-CP-110a.1	During the reporting period, our Scope 1 emissions were 769 MT CO ₂ e; 0% covered under emissions-limiting regulations. For more information please see section Energy & Greenhouse Gas Emissions, pg. 21-22.
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion and Analysis	RT-CP-110a.2	A GHG Emissions baseline was calculated during this reporting cycle; therefore, we aim to report on reduction in future years. For our current initiatives and performance please see section Energy & Greenhouse Gas Emissions, pg. 21-22.

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Quantitative	RT-CP-120a.1	<p>During the reporting period, PHOENIX's air discharge was recorded as follows:</p> <p>(1) VOC: 9,985.15 lb (2) Particulate Matter: 3,814.32 lb</p> <p>These have been considered and included as part of our GHG Scope 1 calculation. For more information please see section Energy & Greenhouse Gas Emissions, pg. 21-22.</p>
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Quantitative	RT-CP-130a.1	For the reporting period, our total Electricity Usage was 205,202 GJ with 100% sourced from the electrical grid. For more information please see section Energy & Greenhouse Gas Emissions, pg. 21-22.
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	RT-CP-140a.1	During the reporting period, PHOENIX consumed a total of 22,344,181 gallons of water. We are looking for opportunities to identify where (if any) water comes from water-stressed sources.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	RT-CP-140a.2	Due to this metric not being identified as a material topic, PHOENIX has not reported on this disclosure.
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	RT-CP-140a.3	During the reporting period, PHOENIX incurred 0 incidents of non-compliance concerning water quality permits, standards, and regulations.
	Amount of hazardous waste generated, percentage recycled	Quantitative	RT-CP-150a.1	During the reporting period, PHOENIX produced 2,207 tons of non-hazardous waste; 95% was sent to be recycled.

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE
Product Safety	(1) Number of recalls issued, (2) total units recalled	Quantitative	RT-CP-250a.1	During the reporting period, PHOENIX incurred 0 incidents of non compliance concerning the health and safety impacts of products and services. PHOENIX had 0 customer complaints related to product safety.
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	RT-CP-250a.2	For information on this disclosure, please see section Product Quality & Safety, pg. 19.
Product Lifecycle Management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	Quantitative	RT-CP-410a.1	During the reporting period, PHOENIX used 297,133 lbs of recycled contents.
	Revenue from products that are reusable, recyclable, or compostable	Quantitative	RT-CP-410a.2	100% of PHOENIX products can be either recycled or reused. For information, please see section Product End-of-Life, pg. 23.
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	RT-CP-410a.3	For information on this disclosure, please see sections Product Innovation & Design, pg. 18, and Product End-of-Life, pg. 23.
Supply Chain Management	Total wood fiber procured; percentage from certified sources	Quantitative	RT-CP-430a.1	During the reporting period, the following was procured: 11,772,921 lb corrugated fiberboard 7,279,826 lb wood pallets 27,309 lb labels
	Total aluminium purchased; percentage from certified sources	Quantitative	RT-CP-430a.2	Currently PHOENIX does not collect this data.

