

SUSTAINABILITY

Examining Our Future



Exploring the Possibilities



Exopack

EXOPACK

A COMMITMENT TO SUSTAINABILITY

Minimize energy consumption

Minimize air emissions, particularly VOCs & CO₂/GHG

Minimize waste

Minimize water consumption

Utilize materials that are safe for all end-of-life scenarios

Maximize package efficiency

Maximize use of renewable and recycled materials

Design for recycling or composting

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Sustainability –n: the property of being sustainable

In its simplest terms, sustainability refers to a process that is ongoing. For the last several millennia, man has sustained a presence on this planet we share. But the vision of the future is becoming a little more blurry.

Will the generations of the future enjoy the same quality of life that we enjoy? Will they have access to clean air, water and abundant food? These are the key questions facing each of us as we consider our legacy.

Sustainability is a Cycle

Just about everything we do repeats itself. As consumers, we consume, we shop, and we consume again. In business, we receive orders, we produce, we deliver and then the cycle begins again.

Most of all of our consumption is of new materials; new clothes, new gadgets and new homes. Materials for this production are derived from the earth – some are renewable but the vast majority are not. Most all the energy used to produce comes from non-renewable fossil fuels. With these facts in mind, how will the earth be able to sustain an ever-increasing population?

The Good News of Abundance

We're fortunate to have everything we need. What's required is the imagination to develop ways to harness the abundance around us in a fashion that provides for today without compromising the future. The ideas that will emerge will help fledgling technologies become viable. They will help us each clean up after ourselves with nature doing the work. Our decisions today will impact generations to come.

Practicing Sustainability at Exopack

As a packaging manufacturer, Exopack has a dual role to play on the journey to sustainability. Exopack is focused on:

Minimizing the environmental impacts from our manufacturing processes and identifying opportunities to promote sustainability through more efficient use of energy and raw materials.

Providing its customers with packaging that is designed to meet performance requirements while minimizing environmental impact.

Our Corporate EHS Policy establishes our commitment to continually drive to minimize the environmental impact of our operations. Our goal is nothing short of 100% compliance with applicable federal, state, and local regulations.

Increasing Exopack's Commitment to Sustainability

Exopack has taken steps to identify those environmental impacts it believes are most relevant from its North American manufacturing operations. Using 2005 as a baseline year, we have begun compiling annualized data as a basis for reporting on our progress.

At Exopack, our journey toward sustainability begins with our processes. It is here that the greatest impact can be made.

I. Process goals focus on improving production technologies.

1. Energy consumption which results in direct and indirect emissions of Greenhouse Gases, especially Carbon Dioxide (CO₂).
2. Air emissions, particularly Volatile Organic Compounds (VOC's)
3. Landfill disposal of solid and hazardous wastes
4. Water consumption

The packaging products we produce also play a role.

II. Product goals focus on designing for resource conservation and recovery.

1. Utilize materials that are safe for all end-of-life scenarios
2. Maximize package efficiency
3. Maximize use of renewable and recycled materials
4. Design for recycling or composting

Exopack is committed to supporting the efforts of these organizations to develop sustainable packaging products.



**SUSTAINABLE PACKAGING
COALITION**

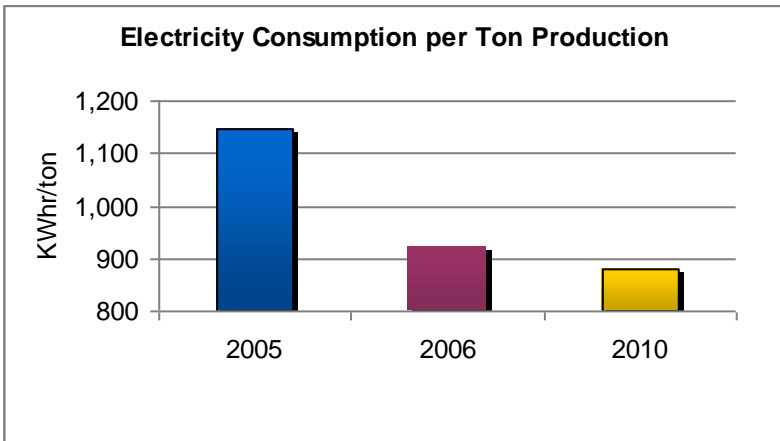


Our Environmental Impacts and Performance

Compliance is now considered to be the minimum acceptable effort with respect to pollution. Exopack's strategy is evolving into one of minimization. This strategy is a multi-faceted approach involving every part of the business.

Energy Use and CO₂ Emissions

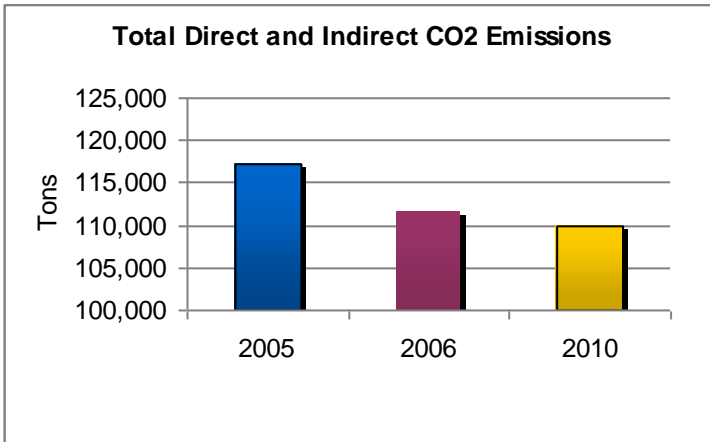
Energy use at Exopack is a major contributor to our environmental footprint. We purchase and use natural gas in direct-fired heaters to dry printing inks, coatings and adhesives. We purchase and use electricity (largely generated by combustion of fossil fuels) to power our production equipment. Thus Exopack is both a direct and indirect generator of greenhouse gases. Carbon Dioxide (CO₂) is the largest component of the greenhouse gases generated in the burning of fossil fuels.



Exopack is tracking the energy intensity at each of its North American manufacturing operations, as a measure of each facility's efficiency of manufacturing its products. Company-wide energy intensity, expressed as KWhr/ton of production, decreased by approximately 20% in 2006.

We estimate Exopack's North American manufacturing operations 2006 CO₂ emissions (our carbon footprint) from energy use decreased approximately 5% from 2005.

The reduction in CO₂ emissions is almost entirely due to a reduction of natural gas consumption at two facilities where new, more energy efficient regenerative thermal oxidizers were installed. Other initiatives, such as eliminating compressed air leaks, contributed to this reduction.



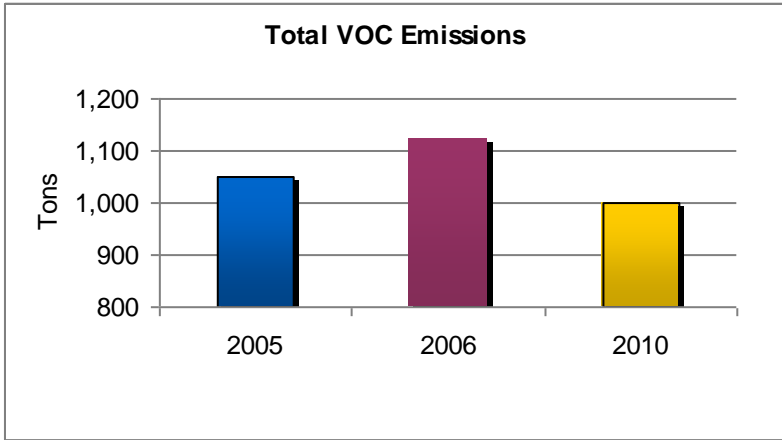
Air Emissions - VOCs

Exopack uses both “solvent-based (greater than 75% VOC) and water-based (less than 5% VOC) inks, depending upon customer requirements. Emissions of VOC from solvent-based materials are largely reduced by routing through various types of thermal oxidation equipment. Other sources of emissions of VOCs are from the use of natural gas-fired dryers for curing of printing inks, coatings, and adhesives.

The main focus area is the reduction and eventual elimination of VOC- containing compounds used in our production processes. Current technologies to control the emissions of VOC from solvent-based materials into the atmosphere require energy and also produce GHG.

2006 emissions of VOCs from our North American manufacturing operations increased by approximately 7% from 2005 largely due to increased amounts of

solvent –based printing production. The increase in VOC emissions roughly parallels the 2006 increase in production of about 9% from 2005.

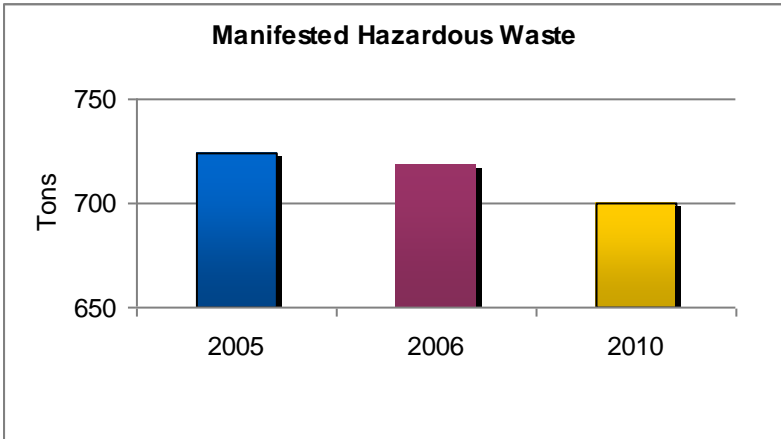


Waste

It makes obvious sense to minimize waste on the journey to sustainability. Material waste created during the manufacturing process not only consumes precious resources, but it also raises the costs of production. To that end, Exopack will continue its path toward minimizing waste through process upgrades and quality systems deployment.

Exopack's manufacturing operations generates two different types of waste streams. In addition to our solid wastes, we also generate regulated hazardous wastes.

Most of the hazardous wastes generated by Exopack contain a significant amount of spent solvents that are generated from the use of and clean-up of inks, coatings and adhesives on our production equipment. In most cases, this type of waste is either reclaimed or incinerated to recover its energy value



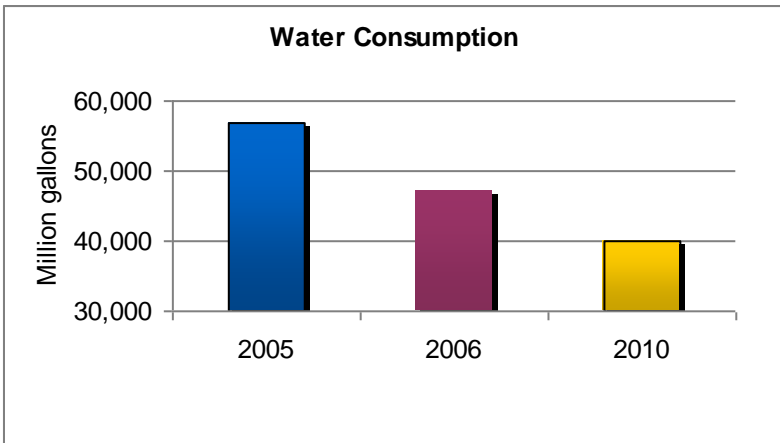
Exopack manufacturing operations also generate various types of solid wastes. Exopack processes these wastes for reclaim as these materials can be reused.

Minimizing waste also includes secondary materials used by Exopack in the distribution of its products to our customers. Exopack is currently collecting baseline data on the amounts of secondary packaging used and will be partnering with its supplier to work with them and our customers in examining every opportunity to reduce or reuse secondary packaging materials.

Water Consumption

Exopack's processes are not major consumers of water. However, we must each do our part to conserve this precious resource.

Exopack has significantly reduced its water consumption over the years. Cooling systems that use "once-through" cooling water are being replaced with "closed-loop" systems that only require small amounts of "make-up" water. Automated clean-up systems are conserving water used for press station cleaning. In 2006, Exopack reduced water use by 17% over 2005.



Sustainable Packaging

With the process goals in place, it is important to close the cycle by producing a product where materials are minimized and recovered. Our commitment to packaging sustainability focuses on four objectives.

Utilize Materials that are Safe for All End-of-Life Scenarios

Safety is paramount when it comes to packaging. The primary role of packaging is to protect the product during distribution. Much effort is expended to ensure that packaging is safe for the product and the consumer.

In order to minimize packaging's environmental impact, it is equally important to ensure that no matter what happens to the package after use, it should do no harm. This means ensuring the materials used don't present hazards for recycling, incinerating, composting or land-filling.

Maximize Package Efficiency

Package efficiency is a measure of the amount of packaging used to deliver a shipment of product. Maximizing the amount of product in a given transport container (rail, truck or ship) helps minimize the amount of packaging material used. This leads to resource conservation and a GHG reduction.

Excess packaging leads to excess costs. Excess packaging consumes resources, generates GHG and creates waste. Excess packaging is also used in the manufacture and distribution of products. Exopack will examine all phases of its supply and distribution chain to look for opportunities to eliminate excess packaging through package design. Moreover, Exopack will devote resources to help its customers do the same.

Maximize Use of Renewable and Recycled Materials

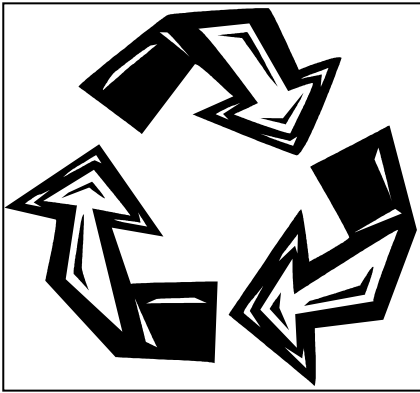
Renewable materials will continue to be available as long as there is space to grow them. The paper industry has shown that it is practical to manage forests in a sustainable manner. Bio-based polymers offer attractive alternatives to those based on petroleum feedstocks. Exopack will continue to manufacture paper-based products and support the development of bio-based plastics for packaging applications.

Recycling the materials in packaging is a practical solution to close the life-cycle. In Europe and elsewhere, it has been demonstrated that packaging materials can be efficiently collected and processed for recycling. For recycling to be sustainable, however, there must be a market for the recycled product. As a

producer of packaging, Exopack supports development of recycled packaging materials by evaluating them as any other material in the packaging design process.

Design for Recycling or Composting

Resource recovery is one of the key tenets of sustainability. Reuse, where practical, provides for 100% resource recovery. In most cases, reuse is not a practical option for current product distribution systems.



Packaging represents the largest non-biological contributor to the municipal solid waste stream in the United States. The opportunities to recycle packaging are tremendous. For it to be practical, the packaging industry must work together with waste collectors and recyclers to develop products that can be efficiently recycled. Exopack is committed to this cause and, by working with the Sustainable Packaging Coalition and the Flexible Packaging Association, is confident that recycling will become an effective means for reducing packaging waste.

In order to help create an abundant supply of recycled materials for packaging, packaging suppliers need to provide materials that can be recycled. Recycled materials are most valuable when they can be separated into pure feed stocks. Today, most flexible packaging for consumer packages is made from mixed materials to meet cost and performance requirements. Creating future designs that allow for pure materials separation presents a significant challenge.

Composting, a biological mode of recycling, represents a means of reusing the earth's resources consumed in packaging. Future flexible packaging designs will incorporate more bio-based materials that compost in properly managed facilities. In some cases, bio-degradable packaging may provide a practical solution to resource recovery. Exopack will continue to explore methods to increase the biological recovery of packaging waste.



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On the cover is the very same picture of Dinosaur National Park in Canada. The vision is bold and beautiful. Hopefully, after reading through this pamphlet, you understand Exopack's vision for sustainability. We'll keep you updated on our progress.

