



Sustainability Impact Report 2024



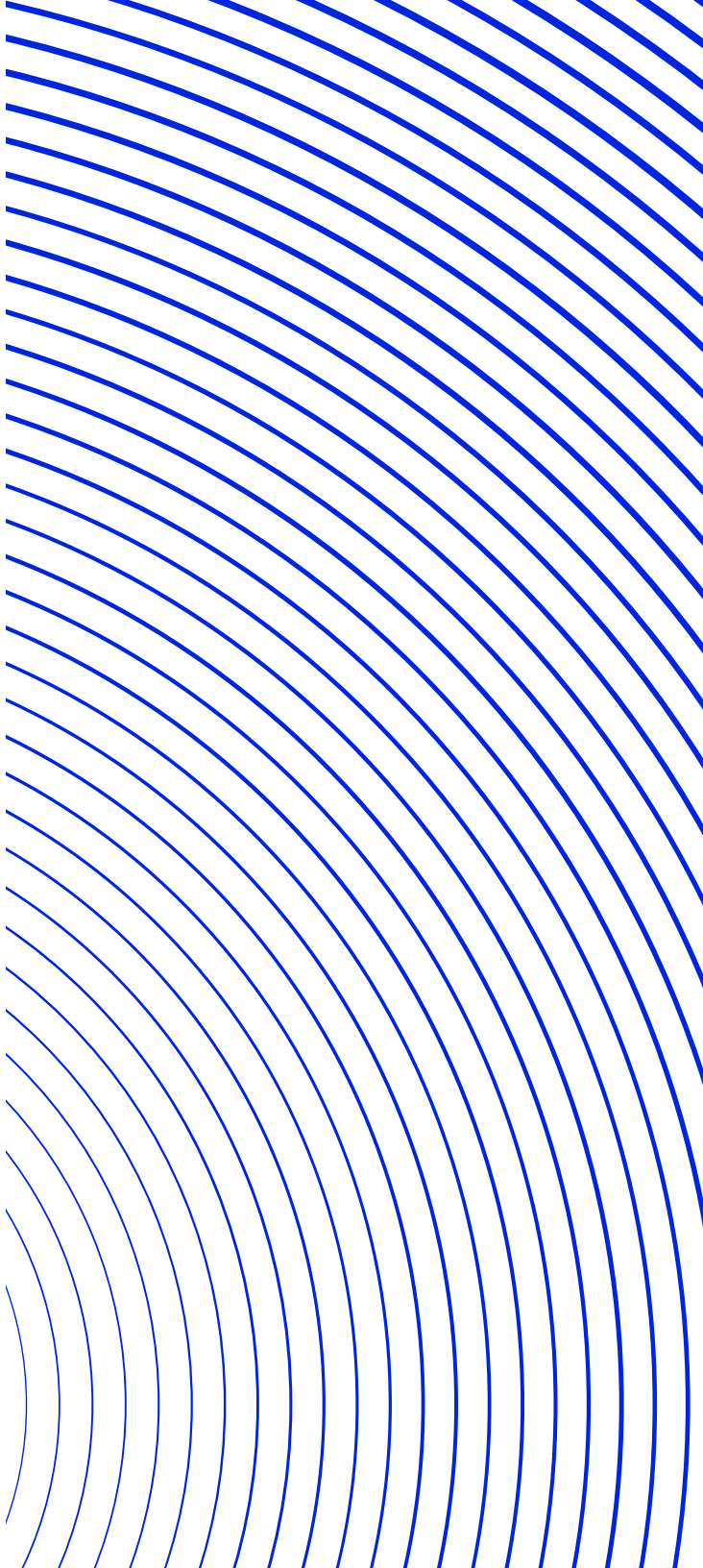
A large white wind turbine with a red base stands on a green, grassy hill. The hill is dotted with small evergreen trees. In the background, there are more green hills and a range of blue, hazy mountains under a sky with white clouds. The text "Making a positive impact on our community, society, and the environment." is overlaid in a dark blue, serif font on the right side of the image.

Making a positive
impact on our
community, society,
and the environment.



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Who We Are

We are a preferred provider of innovative coatings, film laminations, and functional technologies. Flexcon is committed to understanding customer challenges and co-creating solutions that positively impact society and the environment. A family-owned business for nearly 70 years, Flexcon develops and manufactures quality products with precision and efficiency for markets such as healthcare, sustainable packaging, transportation, consumer durables, electronics, industrial, retail & advertising, and construction & energy with a goal of advancing bonds, innovation, and our world. Headquartered in Spencer, MA, USA, the company has operations and distribution throughout North America, Europe and Asia.

At Flexcon, sustainability involves extending the legacy of ethical practices into a broader and long-term perspective. It encompasses a holistic view of emphasizing the well-being of people, continuous process improvements, and the development of sustainable products. This commitment aims to have a lasting influence, not only for the next generation, but for the next 1,000 years.



A Message from Shaun McDonough

Chief of Staff of Flexcon Holdings Trust

Since my grandfather, Myles, founded the company nearly 70 years ago, our philosophy transcends mere business. It's a commitment, deeply ingrained within our family roots, to have a positive impact that extends far beyond our time. For us, time isn't measured in quarters or fiscal years; it's measured in generations.

Our approach is one where every decision we make is guided by three pillars: social, environment, and circularity.

Firstly, social. They're more than just employees or stakeholders; they're the lifeblood of our company. We believe in treating them with the utmost respect, valuing the dignity of their work. Why? Because we understand that by empowering them, we're not just building a stronger business, but stronger communities.

Then there's environmental. We're not content with just existing in the present; we're committed to minimizing our footprint on the environment. That means constantly refining our internal operations to reduce waste, conserve resources, and leave the planet in a better state than we found it.

And finally, circularity. Every innovation, every iteration is crafted with a singular purpose: to enhance the lives of those who use them and elevate the industries we serve while increasing the circularity of our products. Because we know that by creating sustainable, impactful solutions, we're not just ensuring our own longevity, but the prosperity of future generations.

It's about doing what's right, simply because it's the right thing to do. It's about tackling the pressing issues of today with an unwavering focus on the needs of tomorrow.

In essence, sustainability isn't just a buzzword for us; it's our guiding light, illuminating the path toward a better, brighter future.

Shaun



Year in Review with Aimee Peacock, CEO for Flexcon

What were Flexcon's proudest achievements in 2024, and what do they say about the company's direction?

In 2024, Flexcon was honored with the "US Best Managed Company" recognition from the Wall Street Journal and Deloitte. This prestigious award acknowledges private companies excelling in business strategy, innovation, and especially their organizational culture. The award highlights our commitment to employee engagement, wellness, and continuous improvement. Flexcon's focus on a product differentiation strategy, backed by a clear vision and core values, continues to drive our growth. Our people-first culture, where team members are at the heart of every customer interaction, product manufacturing, and back-office process, played a critical role in achieving this recognition.

How has Flexcon continued to foster a strong and engaged company culture in 2024?

2024 marked a year of significant organizational change for Flexcon, especially in the face of macroeconomic challenges. Despite these shifts, we ensured that communication remained open and transparent, giving employees a platform to voice their concerns and understand the reasoning behind the changes, particularly during the ERP implementation. We launched our Employee Value Proposition: "Together we create strong, long-lasting bonds," which reinforces our purpose, vision, and values while emphasizing performance-driven achievement, autonomy, impact, and collaboration. Through quarterly town halls, monthly leadership sessions, open-door policies, and regular engagement surveys, we maintain a strong connection with our teams and keep employee engagement at the forefront.

How has feedback from customers and stakeholders shaped Flexcon's sustainable decision-making?

Feedback from customers and stakeholders has been a key driver in our sustainability strategy. To ensure we provide the most accurate and up-to-date information on our GHG emissions, we've invested in a Life Cycle Assessment tool. Additionally, we continue to invest in new sustainable technologies and materials through our Innovation & Technology initiatives. Our focus on sustainable product development has led to an increase in New Product Development (NPD) efforts around eco-friendly solutions, including our Flexcon® EcoFocus® product line and materials with post-consumer recycled content (PCR). This ongoing commitment reflects our dedication to providing sustainable solutions that meet the needs of our customers and the planet.

Aimee



Achievements in 2024



Recognizing private company success



Flexcon has been named to the 2024 Wall Street Journal's (WSJ) Top 250 ranking of the Best-Managed Companies. This distinction acknowledges the dedication, passion, and hard work of our Flexcon team members, marking our commitment to excellence throughout our global company.

In October of 2024, Flexcon was awarded the TLMI Calvin Frost Journey Award celebrating companies that have made significant strides in sustainability within the tag and label industry. This honor recognizes Flexcon's determination to push the boundaries of what's possible in sustainability.

Flexcon celebrated our 9th year in Digital Output magazine's Top 50 Readers' Choice Awards. The publication calculates reader engagement and the winners are a reflection of the most technology-forward vendors. This award is a testament to Flexcon's commitment to the wide-format community and excellence in delivering solutions that resonate with industry peers and customers.

Flexcon Europe is proud to have received the EcoVadis Sustainability Rating in 2023, a testament to our robust management system that effectively addresses sustainability criteria. This continued achievement in 2024 highlights the quality and effectiveness of our sustainability practices, reinforcing our commitment to environmental stewardship and corporate responsibility.

2028 Sustainability Goals

Social

A people-focused approach drives Flexcon forward, participating in groups and events that connect with our employees and the wider community.

Initiatives:

Safety goal KPI reduction driving towards

0 Incidents

Increase employee participation in improvements to

Above 80%

Environmental

Targeted strategy to develop and fulfill commitments related to our impact by advancing internal processes and addressing various types of waste and energy use that Flexcon can actively improve in the future.

Initiatives:

Track carbon footprint in scope 1 & 2 GHG to reduce Flexcon carbon footprint by

35%

90%

waste reduction by diverting away from landfills

Natural resource improvement by reducing natural gas & electrical usage by

35%

Circularity

Identification and execution of key initiatives that tie to an emphasis on developing sustainable market solutions which will make a positive impact on a circular economy and the downstream use of products.

Initiatives:

50%

of all products manufactured by Flexcon will be EcoFocus® sustainable solutions

25%

of all products manufactured by Flexcon will improve people's lives

These 2024 milestones showcase our ongoing progress toward achieving our company goals for 2028.

| Social

50% drop in safety incidents



Achieve zero safety incidents across all our facilities by 2028, building on the successful reduction of incidents in Chino, Mississauga, and Glenrothes

23% increase employee participation



Reach over 80% employee participation in company initiatives by 2028

| Environmental

70% waste diverted away from landfills



Attain a 90% waste diversion from landfills by 2028

22% decrease in electric reduction per unit



Cut our natural gas and electrical usage 35% by 2028

13% decrease in gas reduction per unit



| Circularity

20% increase in sustainable solutions year over year



By 2028, 50% of all products manufactured by Flexcon will be EcoFocus® sustainable solutions.

15% increase of products that enhance lives year over year



By 2028, 25% of all products manufactured by Flexcon will enhance people's lives.

Associated Partners

In 2024, Flexcon experts made significant contributions at key industry events such as Labelexpo, the TLMI Lunch and Learn Series, and the APR and OMET Fall 2024 Technology Summit. Their presentations tackled the challenges in adopting sustainable packaging, offering actionable strategies to enhance profitability. Topics included ‘Sustainability: What Really Matters to Consumers’ which spoke to research indicating that customers are demanding sustainable packaging solutions. Our sustainability team continues to participate in and collaborate with other partners to lead the industry forward.

In 2024, Flexcon significantly expanded its network by joining eight additional associations, underscoring our unwavering commitment to being a better partner. These new partnerships reflect our dedication to collaboration, innovation, and industry leadership.

Some of our most notable new alliances include:

In 2024, Flexcon joined the **Pressure Sensitive Tape Council** to help shape the future of PSA tape. The council is dedicated to making PSA tape the preferred method of bonding and fastening.

The **Vinyl Sustainability Council** is committed to advancing the efforts of the vinyl industry through the lens of sustainability. As a member, Flexcon works to develop and implement best practices and innovation leading to continuous improvement throughout the industry.

In partnering with the **Flexible Packaging Association**, Flexcon works to ensure the industry is educated on an array of topics, from recent trends in the industry, to changes in government relations, and provide a variety of media to advocate for the industry.

The **Nebraska Recycling Council’s** mission is to maximize the economic and environmental benefits of resource recovery in Nebraska. Flexcon’s Nebraska location works with the council to protect the state’s good life for future generations.



Social: Safety & Wellness Initiatives

Programs highlighting Flexcon's commitment to safety excellence and a culture of well-being.

Flexcon's Wellness Program

Engaged participation: Last year, numerous employees actively participated in wellness competitions through our health program partner Personify Health, demonstrating our commitment to fostering a healthy and engaged workforce.

Comprehensive onsite wellness facility: We have established an onsite wellness facility, staffed with a dedicated team including a doctor, nurse practitioner, and nurse, to ensure the health and well-being of our employees.

Convenient access to health services: All staff can access the wellness facility during their shifts, eliminating the need to drive elsewhere or take time off work, thereby promoting continuous and convenient healthcare.

Shoe Truck and Eyewear Clinic

In 2024 Flexcon renewed its commitment to employee safety and well-being by sponsoring a mobile shoe truck to visit their sites. This initiative, in partnership with SafeGard, provided employees with convenient access to safe and affordable footwear designed to protect.

Recognizing the importance of clear vision for workplace safety, Flexcon also hosted a prescription eyewear clinic to provide employees with safety glasses tailored to their vision needs.



Social: Community Impact

School Stock program

Flexcon's School Stock is a program where outer wraps, end rolls, and aged sample stock of our self-adhesive material is made available to teachers and individuals from non-profit organizations. We invite our community members in need of materials for projects and crafts to visit our Spencer location. It's important to Flexcon that we give back to the communities where we operate.

Our School Stock program repurposes 17.3 tons of materials - equivalent to the weight of nearly 3 African elephants!

Throughout Flexcon, employees are encouraged to participate in and donate to a variety of charitable causes. In 2024, Flexcon collaborated with over 43 different charities that impact the communities where Flexcon operates.

Thanks to our Flexcon employees, we collected over 3.5 tons of food to support local communities.

Flexcon staff members organized a food and household goods drive for **Abby's House**, directly supporting the needs of women and children in their care including providing safe shelter, affordable housing, and comprehensive support to those most vulnerable.

Our commitment to community shines through initiatives like our recent gift card donation drive, where employees gave to local organizations, making a meaningful impact in Central Massachusetts.

Christmas for our troops Since 2010, Pinnacle Bank has had the pleasure of coordinating a holiday care package drive for our nation's deployed troops. Last year, with the help of our generous community, Flexcon employees sent over 500 military members a piece of home for the holidays.



Social: Community Impact

United Way Campaign

Flexcon is proud to run a United Way campaign in our workplace and in 2024, Flexcon locations across North America made a significant donation to the organization. This contribution helped families and organizations most in need in our neighborhoods.

Over the last four years, we have raised approximately **\$200,000** in support of United Way. Through our support, we spark positive change in the lives of our friends, family members, and ourselves.

The United Way

Invests in impactful programs that deliver visible, measurable results.

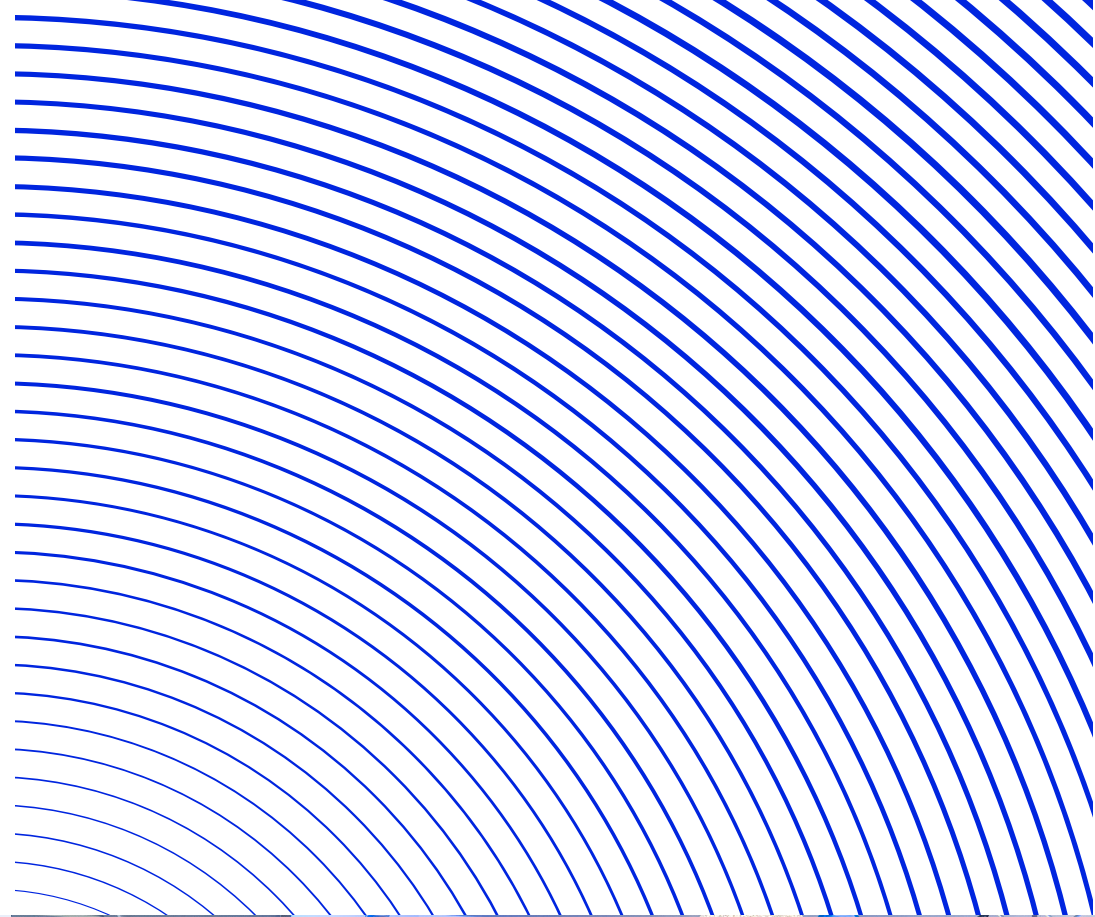
- Ensures contributions stay local, directly benefiting our community members.
- Leverages the dedication of hundreds of volunteers to maximize community support.

50 Years

50th Anniversary of Flexcon in Europe

Flexcon Europe celebrated a momentous milestone in 2024; 50 years of business! The festivities took place across both continents, bringing together employees from all corners of the globe.

The celebrations began with a grand party at our Weesp, Netherlands site, followed by a lively gathering at our Glenrothes, Scotland site. These events marked Flexcon's journey from a single site in Massachusetts to a global presence across 11 locations. These celebrations allowed us to honor the past, and look forward to a bright and innovative future.



Social: Workplace Diversity



The purpose of a Business Resource Group (BRG) is to be a strategic partner within Flexcon to promote a culture of diversity, inclusion, and belonging through continual learning.

The BRG advances the understanding and inclusion of employees with a common background, set of interests and/or goals. Bottom-up input arrives through employee efforts. BRGs are open to all employees, in all locations, through virtual and in-person meetings.

Flexcon's four active Business Resource Groups

United Diversity Network

Celebrating and educating diverse cultures at Flexcon.

F.L.A.S.H. (Flexcon Armed Services Heroes)

Honoring and connecting Veterans of the armed services at Flexcon.

FlexPride Alliance

Educating, celebrating, and building a community of those that identify with and allies of the LGBTQUIA+ Community.

Women's Initiative Network for Success

Building a network of women to support and inspire each other.

Social: 2024 Highlights

Flexcon Armed Services Heroes

Sponsored a team to participate in the **Veterans Inc. 5K** to raise money to help homeless veterans in need. The funds raised support the programs and services offered to our veterans and their family members.

Organized the **Socks for Soldiers** event, collecting for veterans in Worcester County. This initiative supports **Veterans Inc.'s** mission to end veteran homelessness and help veterans regain self-sufficiency through essential services.



Flexcon Absorb

In 2024, Flexcon Academy launched a comprehensive educational and training initiative, called Absorb, offering a diverse array of programs, courses, and resources designed to enhance professional skills, leadership capabilities, and industry knowledge. By investing in holistic learning, we empower our employees to continuously develop and excel. Flexcon Academy champions personalized learning, enabling employees to advance at their own pace and achieve professional growth through tailored content.

Women's Initiative Network for Success

In collaboration with Amazon Robotics, Flexcon proudly hosted and served as panelists at the 3rd Annual Women's Day Manufacturing Workshop partnering with Mass MEP. This impactful day-long event was dedicated to empowering and encouraging women in the manufacturing industry.



Ways We Manage

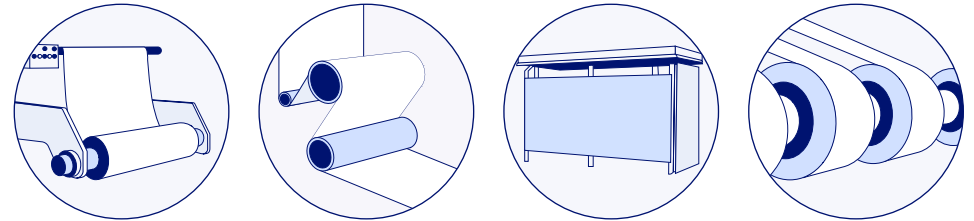
Committing to environmental stewardship

Flexcon's teams are renewing their collaboration with suppliers to focus on and develop sustainable solutions.

- Natural resource management – Reduce natural gas and electricity usage **35% reduction goal by 2028**
- Waste management – reduce landfill waste **90% reduction goal by 2028**
- Emission and pollutions – reduce carbon footprint **35% reduction goal by 2028**
- Water management – minimize the environmental impact of our operations on responsible water management by focusing on water use, wastewater management, stormwater management and the protection of local water resources.

Scope 1 and 2 reductions

We have made a dedicated commitment to identify, measure and reduce Scope 1 and Scope 2 greenhouse gas emissions.



Supplier packaging return program

Flexcon collaborates with suppliers to implement sustainable solutions for recycling packaging materials.

These materials encompass pallets, endplates, cores, core protectors, foam H-channels, suspension pieces, and steel racks.

Percentages of material recycled

20%

2021

25%

2022

51%

2023

70%

2024

Flexcon Europe

Renewable energy

At Flexcon, we are deeply committed to sustainability, and this commitment is reflected in our European facilities where we are integrating renewable energy sources. By partnering with Audax Renewable Energy, we ensure that our energy consumption is certified for both wind power and CO2 compensated gas. This certification not only verifies that our energy is sourced from renewable but also underscores Flexcon's dedication to reducing our carbon footprint and promoting environmental stewardship.

Through the acquisition of Renewable Energy Guarantees of Origin (REGO) Certification, we are taking a significant step towards a greener future. This certification demonstrates our proactive approach to sustainability, ensuring that our operations contribute to a low-carbon energy landscape. By choosing renewable energy, we are not just meeting current market demands but also paving the way for a sustainable and responsible energy future.

“Internally, Flexcon has been energizing cross-functional teams to accelerate our progress towards achieving our sustainable goals. These initiatives and advancements are also making a visible impact externally.”

-Dan Riendeau



Leading in Research

Innovative sustainable packaging practices

In our ongoing commitment to sustainability, Flexcon published the white paper titled “Elevating Sustainability Beyond the Label” in early 2024. Based on insights from more than 700 consumers, the paper explores the critical role of sustainable packaging and labeling in the market.

We are driving meaningful change across our operations by empowering our stakeholders with the knowledge and tools to make informed decisions, strategically plan for future market dynamics, design environmentally considerate products, and optimize production processes. This holistic approach not only enhances our sustainability quotient but also ensures that we remain competitive and resilient in an evolving market.

Key takeaways

Education is key to sustainable practices. Educating stakeholders empowers them with the knowledge to make informed decisions and drive internal and external advocacy for green initiatives.

Strategy involves planning and foresight to navigate and lead in an evolving market.

Design focuses on creating products that are not only functional and appealing but also environmentally considerate from inception through disposal.

Production emphasizes the adaptation of manufacturing processes to reduce environmental impacts and enhance efficiency.



Download our sustainability white paper



What We Produce

Case study

In 2024, Hub Labels received first place at the TLMI Printing Excellence Awards for their innovative and sustainable single application, linerless design. The award-winning label was developed through a collaboration with Mercury Plastics and Flexcon Global, combining our expertise to create a sustainable and functional solution.

Customer challenge

Replace traditional wax melt plastic lid with a resealable label to reduce plastic use. Considerations that had to be safeguarded when considering the Flexcon product were:

- Convenience
- Consistent performance
- Secure seal
- Strong adhesive

Award-winning design

Product photo, courtesy of Hub Labels showcasing exceptional label construction



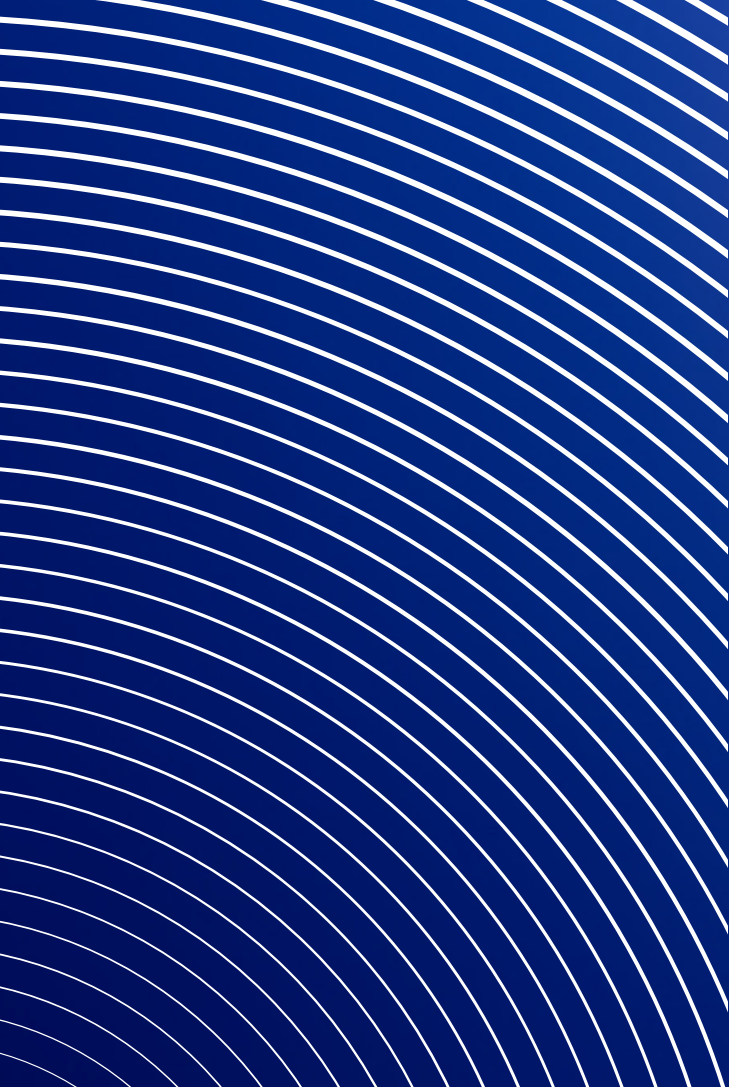
Flexcon's solution

Flexcon® OptiFlex® Reseal™ 21133 is a 2.3 mil white BOPP film with high-performance acrylic adhesive guaranteeing clean, consistent reclosure.

- Uses minimal force to open, allowing for quick and easy access and opens clean without tearing or damage.
- Guaranteed durability for repeated opening and closing without degradation, ensuring consistent performance that consumers can trust.
- Maintains a tight seal to protect against contaminants, safeguarding freshness and quality.
- Holds a robust adhesion, preserving its effectiveness through numerous uses.

Our commitment to collaboration and forging strong partnerships with customers and suppliers is a cornerstone of empowering our customers' ambitious sustainability goals. By prioritizing the smarter use of resources and innovative packaging solutions, our environmental sustainability objectives align seamlessly with Mercury's vision, ensuring this partnership was a natural fit.





For more information on how Flexcon is striving for a better tomorrow, visit flexcon.com/sustainability

