



United Nations
Global Compact

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Charter Next Generation
Communication on Progress
2020/2021



Introduction

Charter Next Generation (CNG) is pleased to submit our annual Communication on Progress report to the United Nations Global Compact. This document will describe our efforts and actions to integrate the Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption into our business strategy, culture, and daily operations.



Human Rights

It is our goal at Charter Next Generation to ensure all our employees, business partners, customers, and suppliers understand, respect, and support the United Nations Universal Declaration of Human Rights. These expectations for all parties are clearly conveyed in both the Charter Next Generation Code of Business Conduct and Ethics, as well as our Supplier Code of Conduct. Both documents were again reviewed and updated during 2020/2021.

Charter Next Generation's primary objective for human rights in 2020/2021 was to create easier access to and additional resources for training and support for all current and any new employees. This included adding the Charter Next Generation Code of Business Conduct and Ethics to the new company intranet (CNG Direct), as well as the hiring and placement of additional HR personnel at several CNG facilities.

One of Charter Next Generation's key initiatives for 2021/2022 will be to issue a new Supplier Sustainability Survey/Scorecard to all our suppliers. The feedback received will not only help to classify and rank each supplier with respect to the 10 Guiding Principles, but also allow Charter Next Generation to continue to amend and optimize our Supplier Code of Conduct. A second important CNG initiative for 2021/2022 will be to utilize our formal employee training program for both the Charter Next Generation Code of Business Conduct and Ethics and the Supplier Code of Conduct.

All these initiatives have been designed so that Charter Next Generation can continue to achieve a zero-incident rate with respect to human rights issues year after year.

Labor

Charter Next Generation is an equal opportunity employer, and the Charter Next Generation Employee Handbook covers our employees' rights, compensation, health insurance and responsibilities. The health, safety, and well-being of all our employees are priorities at Charter Next Generation.

COVID-19 continued to be a major problem for globally in 2020/2021. Since many of our employees and their families continued to experience COVID-related challenges, Charter Next Generation reactivated our COVID-focused program, which was administered at each facility by the on-site human resources personnel, to help protect the financial well-being of our employees.

Charter Next Generation's Leadership Team is constantly searching for ways to reward our employees as they are such an important part of our success. So, in 2020/2021, CNG's ownership changed with the addition of a new investor/partner. What makes this change



exciting for all CNG employees and their financial well-being is the ownership has agreed to make all employees owners of the business.

The 2020/2021 objectives implemented were the result of several key learnings from our 2019 employee engagement survey, as well as the launch of our Diversity, Equity and Inclusion (DE&I) process and CNG's first Employee Resource Group (Women In Manufacturing).

For 2021/2022, Charter Next Generation's initiatives on the labor front will be quite active and include:

- Formalizing our DE&I process and adding another Employee Resource Group
- Continuing to review, amend, and train our employees of any changes to our foundational guiding documents – the Employee Handbook, the Charter Next Generation Code of Business Conduct and Ethics, and the Supplier Code of Conduct
- Launching and reviewing our 2021 Employee Engagement Survey, which Charter Next Generation conducts every two years to not only ensure positive follow-up to past surveys, but to also identify opportunities that foster a work environment and culture that best supports our employees.

Environment

As a plastics film manufacturer, Charter Next Generation firmly believes it is our responsibility to ensure our operations and products are constantly evaluated with a mindset of protecting the environment globally, as well as within our local communities. To be an industry environmental/sustainability leader, we must engage and collaborate with all levels of the supply chain – from our suppliers and equipment manufacturers, to the converters and brand-owners, and finally to the recyclers and the local communities.

In 2020/2021, Charter Next Generation's priority was to launch our new website, so that we could share our sustainability story more broadly. The sustainability section of the website starts with a video featuring our CEO, and then describes our sustainability and environmental initiatives with our products, facilities, employee engagement and education, and finally CNG's industry association activity and recognition. A key CNG objective for 2021/2022 will be to add considerable detail to each of these sections of the website.

Charter Next Generation's GreenArrow™ family of films is developed with a sustainability-first mindset, offering our customers and the industry a variety of potential solutions to meet whatever sustainability goals they may have. Options include recyclable films, post-consumer recycled (PCR) resin or bio-based containing, or compostable. In 2020/2021, we created and commercialized new films that either optimized All-PE structure performance or increased the



PCR content. Our 2021/2022 objective is to continue to optimize these film options to yield the maximum positive environmental impacts possible.

Charter Next Generation's second key 2020/2021 initiative was to determine our corporate carbon footprint. Now that we have that data, our objective for 2021/2022 will be to create science-based targets for reducing our Greenhouse Gas Emissions. Other CNG 2020/2021 facility related initiatives included renewing and implementing our Operation Clean Sweep commitment at all nine locations and achieving Zero Waste to Landfill status at two additional plants. Our goal for 2021/2022 is to achieve the Zero Waste to Landfill status at a minimum of another two facilities.

We believe it is extremely important to have employees that are informed of and engaged in all our corporate sustainability objectives and activities. To ensure that occurred in 2020/2021, the CNG Corporate Sustainability Green Team:

1. Relunched our educational series from monthly topics to weekly ones
2. Initiated quarterly sustainability quizzes for all employees to take
3. Coordinated company-wide community cleanup challenges
4. Recognized and rewarded employees going above and beyond every quarter

We will continue these activities in 2021/2022, but will take a much deeper dive with employee education and training, starting with the Leadership Team.

Charter Next Generation strongly believes active participation and collaboration with other industry leaders via the various associations will lead to successful and positive environmental impacts both locally and globally. So, in 2020/2021, CNG committed to being an APR Recycling/PCR Demand Champion (increase the use of post-consumer recycled resins), we became an Activator with the U.S. Plastics Pact (help develop U.S. strategy), engaged with the Circular Great Lakes Initiative as a founding member (create a circular economy in the Great Lakes region), and participated as a member of the Ocean Plastics Leadership Network (address the issue of ocean plastics). We continue to be committed to the United Nations Global Compact with implementing and supporting the 10 Guiding Principles and 17 Sustainable Development Goals. However, for CNG to continue to improve, we commit to annually submit information to EcoVadis to compare ourselves to other global leaders. In 2020/2021, we were awarded Silver Medal status, but our goal for 2021/2022 is Gold Medal status.

For 2021/2022, Charter Next Generation again committed to being an APR Recycling/PCR Demand Champion, with our other objectives being to identify key opportunities within the various industry organizations that we can actively lead by offering resources and expertise, and ultimately create significant positive change.



Anti-Corruption

Charter Next Generation expects all employees to act in an honest, ethical, and responsible manner while working at any of our facilities, at our sponsored business/social/community events, or at any other place or time where they may be considered as representing Charter Next Generation. This includes avoiding all potential aspects of corruption.

Charter Next Generation is in support of international and regional legal agendas regarding the issue of corruption and is committed to compliance with all local relevant laws. The Charter Next Generation Code of Business Conduct and Ethics clearly addresses the various areas of corruption, including bribery, kickbacks and gift giving/receiving, indicates a zero-tolerance for our employees, and offers direction should an employee have questions or need to report a potential violation. During 2020/2021, two important actions were taken regarding this document:

1. It was updated and included the signatures of both our CEO and Legal Counsel to validate the importance to all employees to understand the expectations
2. It was added to the company intranet (CNG Direct) to make it more readily accessible for all employees to review.

Since this is a foundational CNG document, it will be annually reviewed and amended by the CNG Leadership Team.

To meet a zero-incident rate in this area, the primary Charter Next Generation goal for 2021/2022 would be to utilize our formal employee training/education program for the Charter Next Generation Code of Business Conduct and Ethics. This would make the review of this document an annual event with a sign-off and date stamp.

Scott D. Hammer

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Charter Next Generation