

IPL Sustainability Report 2019



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01

Overview



Message from Our CEO

Alan Walsh

We welcome increased regulation and incentives to encourage the capture of plastics in the new circular economy.



Welcome to IPL's first Sustainability Report, which outlines the progress we have made since announcing our 2019 to 2022 Sustainability Strategy in late 2018. Sustainability is at the heart of what we do, with circularity embedded across all three of our packaging Divisions.

In 2019 we refined the key indicators to track our performance and we are delighted to share our progress in this first Annual Report, with the benefit of independent assurance by our auditors EY.

Our products have clear advantages in society, and in many instances are contributing positively to the new circular economy. In all Divisions our

products are on-trend, and well ahead of the 2025 commitments that global brands are focussed on achieving.

All this work demonstrates our journey to becoming a global leader in returnable, reusable and recyclable packaging solutions.

Our products have many unique advantages to alternatives, so it is important that we address the negative publicity and misinformation surrounding plastic packaging in the media, much of it is inaccurate or misinformed.

Looking ahead, we welcome increased regulation and incentives to encourage the capture of plastics in the new circular economy.

Alan Walsh
CHIEF EXECUTIVE OFFICER

Plastics Debate is Maturing

The Benefits of Plastic

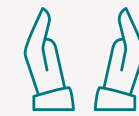
Plastic packaging gives our customers a safe, responsible and recyclable way to deliver products to their consumers.

It has many unique properties compared to alternatives. A good example is its carbon footprint, which is much less than glass and other packaging materials due to its light weight and flexibility.

There is still room for improvement and IPL is working with our customers to boost recycling rates through redesign and increasing recycled content in the plastics we use, which in turn reduces waste and leakage of plastic out of the circular economy.



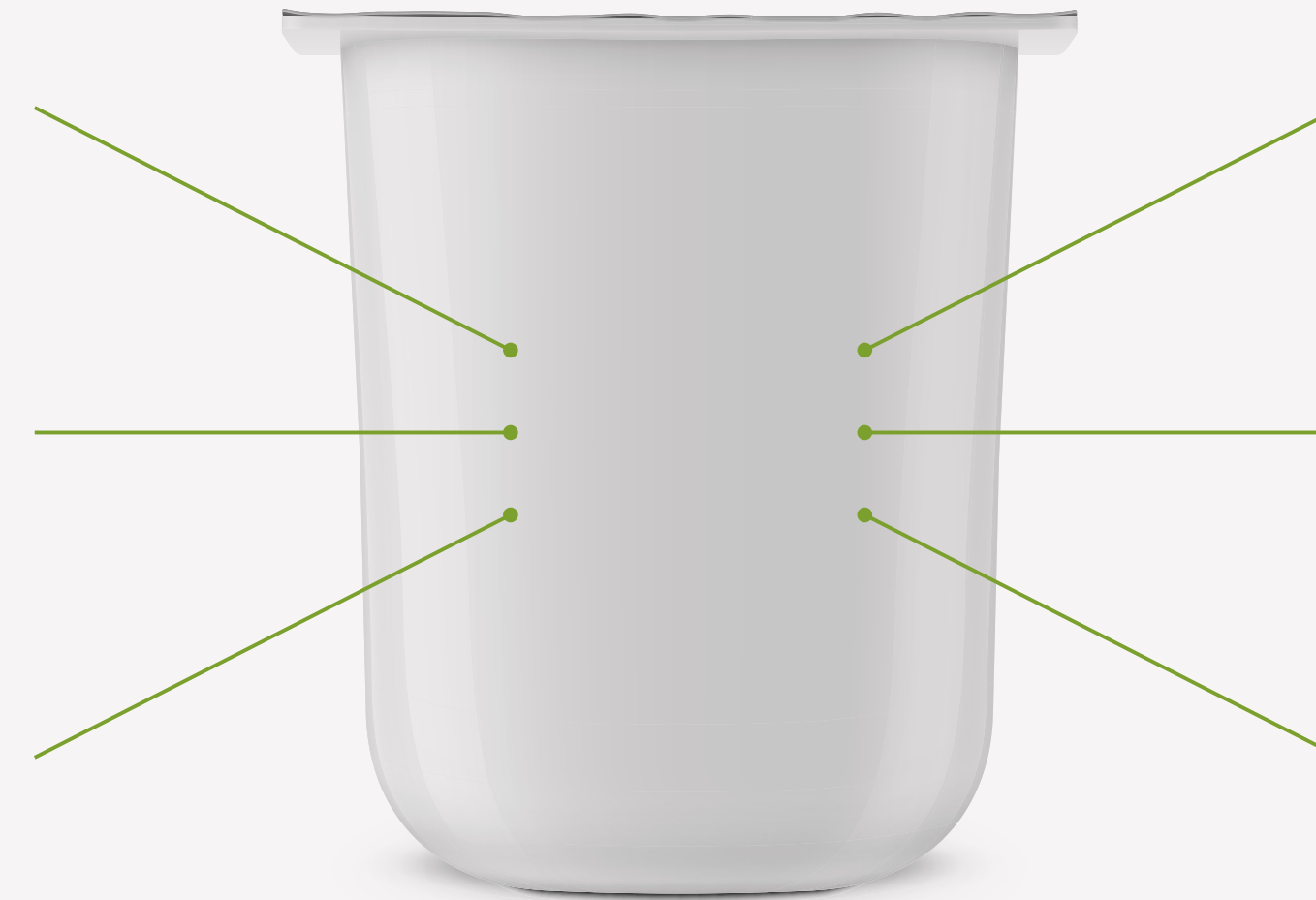
Our resins - Polypropylene (PP) and Polyethylene (PE) are 100% recyclable



Shatter-proof, food-safe, sealable and tamper evident



Significant transportation savings due to unique stacking and lightweight properties



Less Green House Gas emissions than other types of packaging



Meets Global Brand commitments for recyclability



Generates less product waste due to resistance to breakage and denting

1.2

Plastics Debate is Maturing

Plastics vs. Alternatives

Plastics deliver many benefits to society compared to alternatives. However, their unique properties also have limitations.

Plastic offers a sustainable solution over the course of its life cycle, but only if it is reused or recycled responsibly. Broad and systemic change is urgently needed to address this challenge.

Emerging policies, regulation, taxation and other incentives will help drive this change and address the negative aspects of plastics.

Criteria		Plastic	Alternatives Glass, cans, paper	Details
	Climate change	✓	✗	Less Green House Gas emissions ¹
	Environmental cost	✓	✗	Alternatives have 3.8x greater environmental cost ²
	Energy to produce	✓	✗	More energy required to produce alternatives ³
	Chemical resistance	✓	✗	Metals may oxidize or rust ³
	Weight	✓	✗	Alternatives are 4.1x heavier on average ⁴
	Plastics in the ocean	✗	✓	Plastic, including fishing gear, makes up 80–85% of marine litter ⁵
	Low recycling rates	✗	✓	Only 14% of plastic packaging is collected for recycling ⁶

1 Franklin Associates, April 2018, Life Cycle Impacts of Plastic Packaging Compared to Substitutes in USA and Canada

2 Trucost, July 2016, Plastics and Sustainability, pg. 7

3 Citi GPS: Global Perspectives and Solutions, Aug 2018, Rethinking Single-use Plastics pg. 4

4 Goldman Sachs, July 2019, The Plastics Paradox

5 European Parliament Think Tank, June 2019, https://www.europarl.europa.eu/thinktank/de/document.html?reference=EPRS_BRI%282018%29625115

6 The Ellen MacArthur Foundation, 2016, The New Plastics Economy: Rethinking the future of plastics Report, <https://www.ellenmacarthurfoundation.org/publications/the-new-plastics-economy-rethinking-the-future-of-plastics-catalysing-action>

1.2

Plastics Debate is Maturing

The Waste Hierarchy

The waste hierarchy is an internationally recognised method of ranking packaging from most to least preferred. IPL's products are ranked high in this hierarchy.

We do not manufacture any products that need end-of-waste treatments such as incineration or landfill disposal as all our products are in the beneficial categories of reduce, reuse and recycle.

Our LF&E division has a leadership position in waste segregation containers in the UK and Canada. Our RPS division has leadership in returnable container manufacturing. All our CPS containers are 100% recyclable and fully compatible with emerging government regulations and leading brand commitments to recyclability.



* Single use plastics includes cutlery, plates, straws, cotton buds, baloon sticks and polystyrene cups.

IPL's Position

Leaders in waste management containers (Canada & UK)

Leaders in returnable packaging, material handling and flooring (USA & UK)

100% recyclable products meeting 2025 brand commitments & government policy

IPL's Products

Bins, carts, composters and caddies

Crates, totes, baskets and flooring

Pails, tubs, cups, pots, caps and closures



Plastics Debate is Maturing Circularity Across Divisions

Circularity is embedded across our three Divisions. In both our RPS and LF&E divisions, our products are designed to be easily brought back and returned to new products through mechanical recycling.

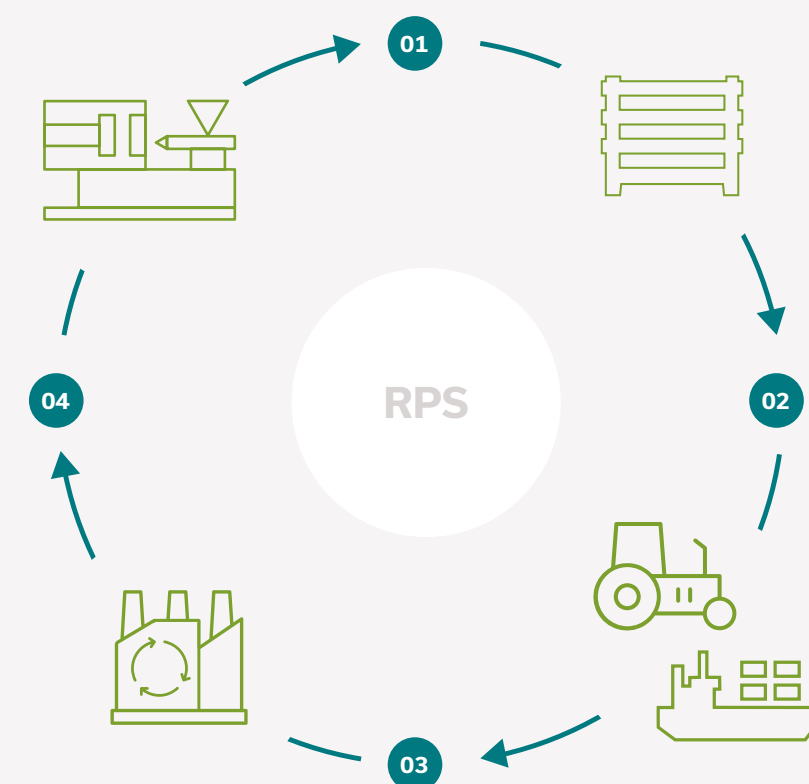
For example, in California our take-back programme now delivers a closed-loop recycling solution for our agricultural products.

In our CPS division, all our products are 100% recyclable, allowing this valuable resource to be captured by mechanical recycling technologies.

For food-grade applications, recent advancements using chemical recycling is expected to drive increased recycling rates. IPL was a first in industry in 2019 to work with Unilever using this ground-breaking technology (See page 27).

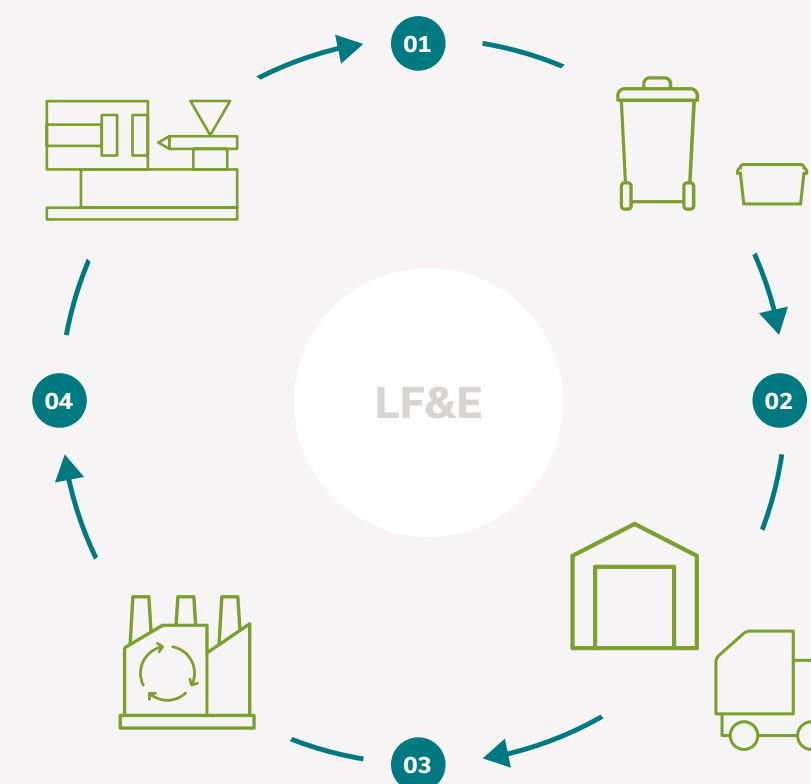
RPS

- 01 – Bins are built for repeated use
- 02 – 50 turns per harvest / 45 international trips
- 03 – Bins returned at end-of-life for recycling (IPL or other)
- 04 – Recycled plastic returned to new bins



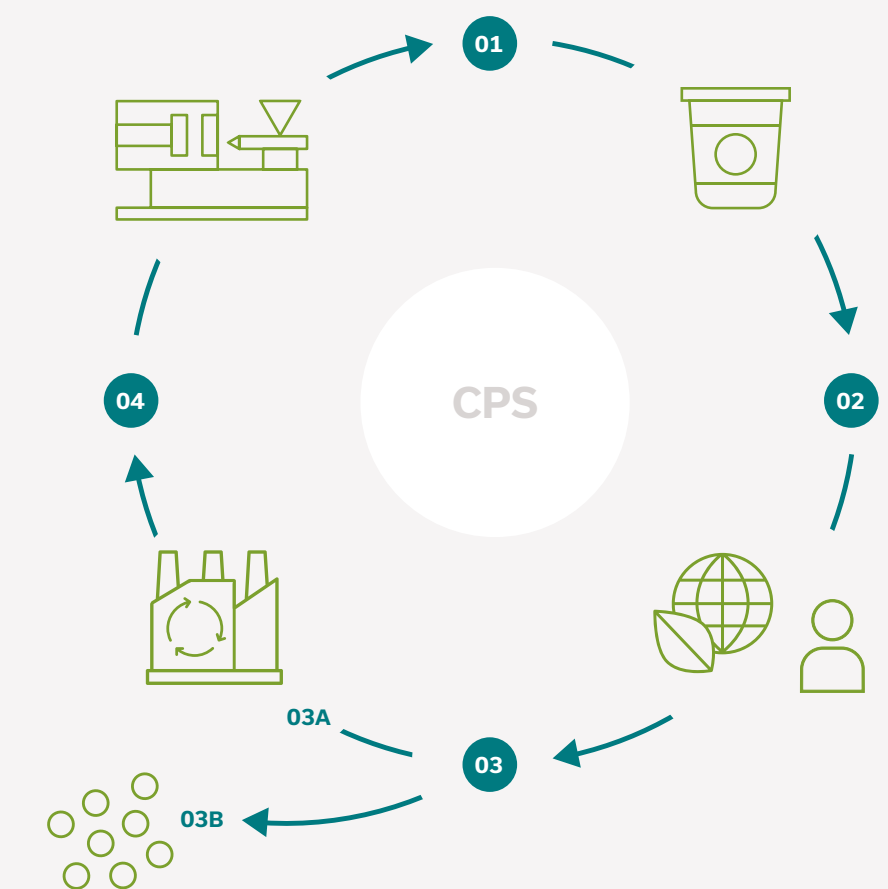
LF&E

- 01 – Containers built for waste segregation/ material handling
- 02 – Used by customers for +10 years
- 03 – Containers returned at end-of-life for recycling (IPL or other)
- 04 – Recycled plastic returned to new containers



CPS

- 01 – Designed for 100% recyclability
- 02 – Packaging has least impact on climate change compared to alternatives
- 3A – Chemically recycled for food applications (emerging technology)
- 3B – Mechanically recycled for non-food application
- 04 – Products returned at end-of-life for recycling



1.2

Plastics Debate is Maturing

More Regulation to Drive Change

IPL continues to view new and progressive government regulation as a positive and welcome trend to accelerate investment in waste recycling industries and promote increased use of recycled content.

With a fixed target of 55% recycling of plastic packaging waste by 2030 in the EU, new plastic tax legislation is expected to accelerate these investments in recycling technologies, with Canada and USA following closely.

Given our strong product position on the waste hierarchy, we believe this will present opportunities for IPL in the new Plastics Economy.



Europe & UK

New Plastic Packaging Tax legislation proposed for EU and UK

Incentives will increase use of recycled content in packaging

EU targets 55% plastic recycling by 2030

IPL Opportunity

LF&E Europe currently operating on 50:50 ratio of Recycled:Virgin resin

Can be scaled up upon customer request to meet emerging legislation / policy



Canada

'Canada-Wide Action Plan on Zero Plastic Waste' (June 2019)

Aims to reduce impacts of plastic waste through value recovery to achieve circular plastics economy

IPL Opportunity

Our circular business models prepared for policy objectives including:

Extended producer responsibility

Single Use Plastics Ban

Incentives for a circular economy

Green procurement promoting circular resins



USA

Draft Federal Legislation. Eg. 'Break Free From Plastic Pollution Act of 2020' (Feb 2020)

Any emerging legislation expected to mandate minimum recycled content in plastic packaging

IPL Opportunity

Transfer skills and knowledge from European operations

Already identified suitable recycled plastics suppliers in North America

IPL has ambitions to grow recycled plastics in future

1.2

Plastics Debate is Maturing

Consumer Attitudes

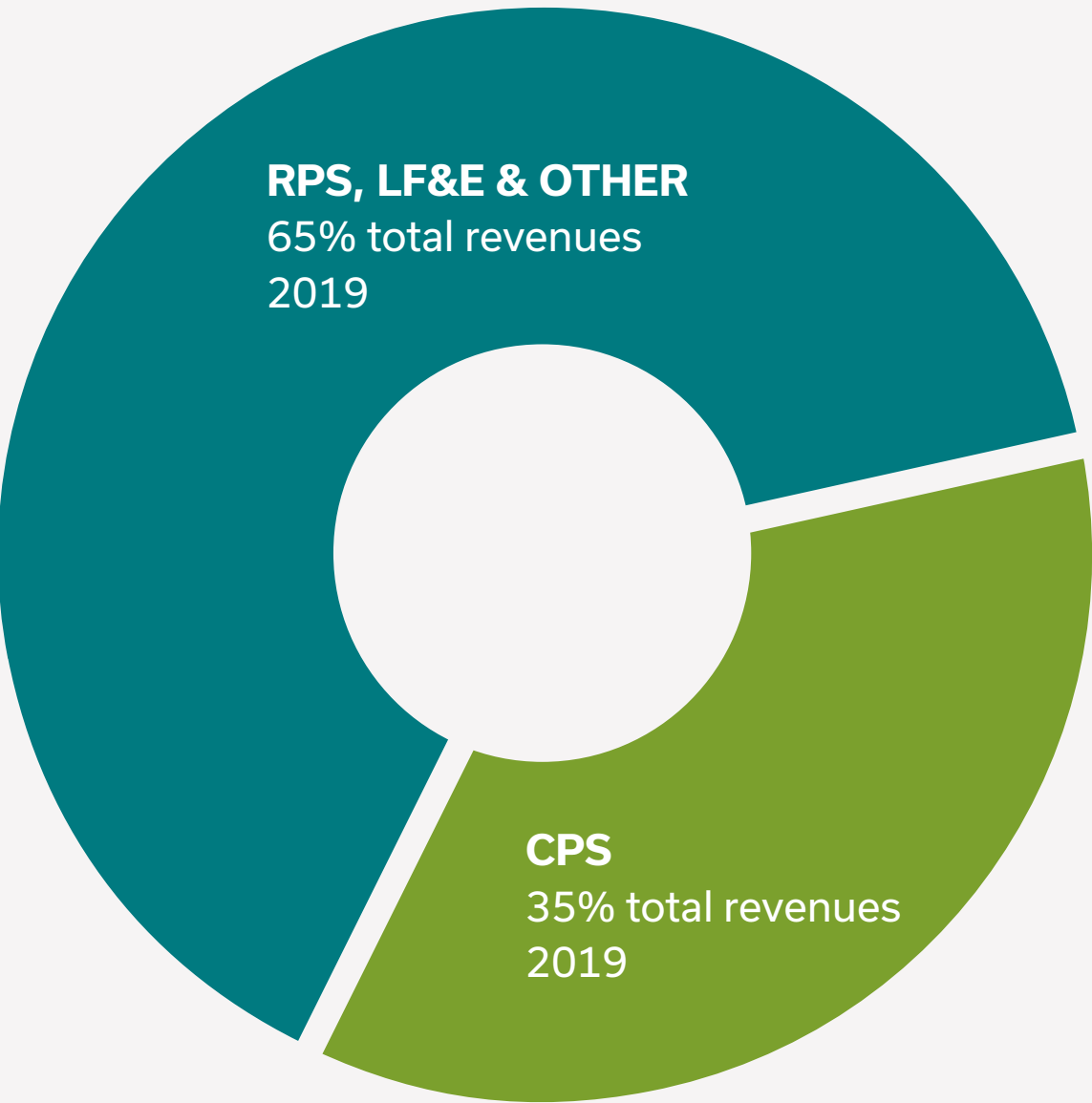
One of the world’s largest public surveys into attitudes on food waste and packaging was undertaken in the UK in 2019⁷

Consumer’s expectations around packaging are evolving. The survey reveals public support for packaging that is 100% recyclable. It also reveals high public understanding of the role and value of packaging in preventing food waste.

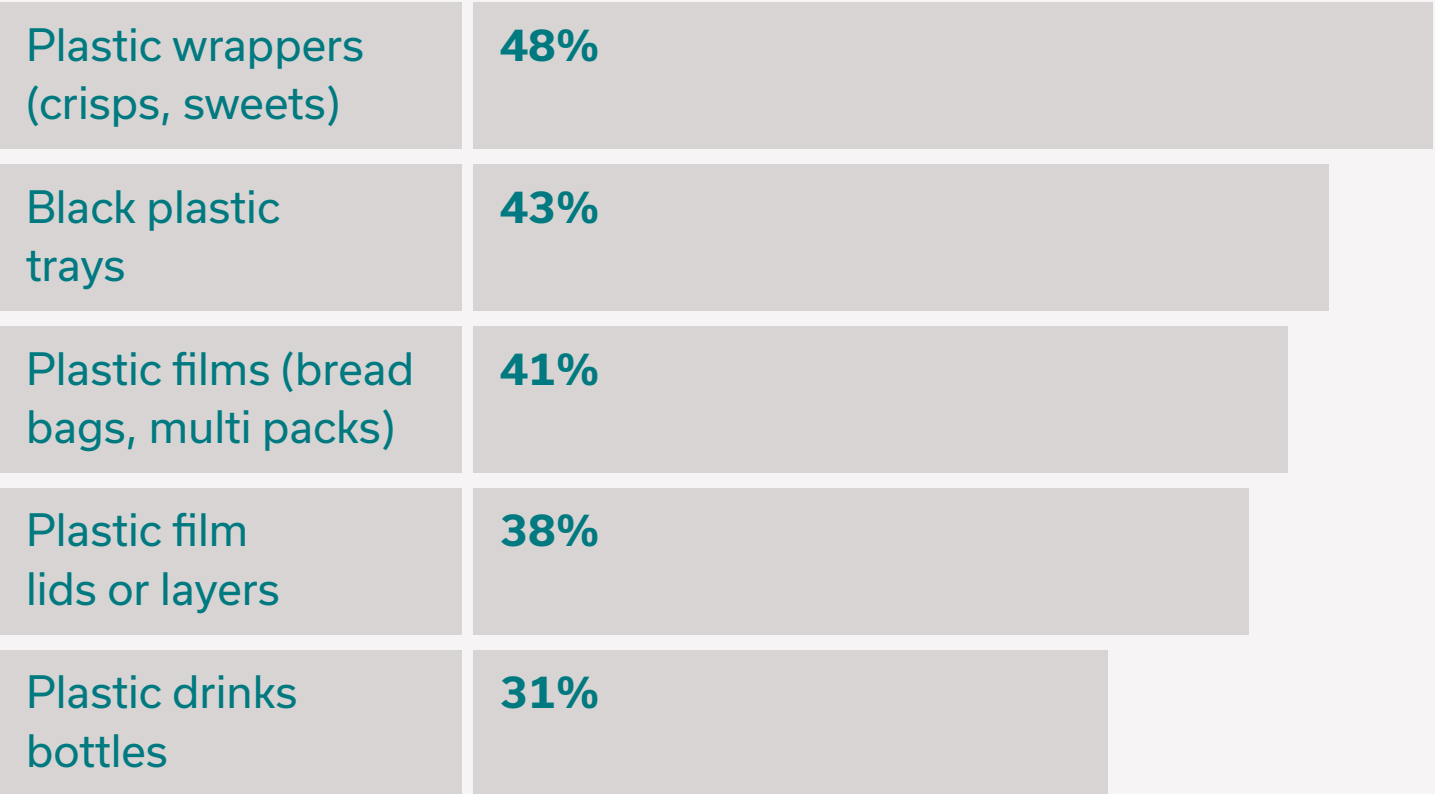
Products from our RPS and LF&E Divisions were not ‘*packaging types of concern*’, according to the respondents (6,214 adults aged 18+). In addition, products from our CPS Division did not appear in the list of top 5 ‘*packaging types of concern*’.

According to the Report: “where packaging can be readily recycled – such as plastic pots and tubs - concern is lower”.

RPS and LF&E product range not on consumer’s radar



CPS products not in top 5 'packaging types of concern'



7 INCPEN & WRAP, July 2019, UK survey on citizens’ attitudes & behaviours relating to food waste, packaging and plastic packaging goals.

1.2

Plastics Debate is Maturing

Public supports
packaging that is
100% recyclable.



Global Commitment on Plastics – ‘The New Rulebook’

IPL is aligned to the vision of the Global Commitment⁸, that all packaging will be recyclable or reusable by 2025. This initiative unites over 450 businesses, governments, non-governmental organisations (NGOs), universities and other organisations worldwide behind a vision to address plastic packaging pollution.

All the Global Commitment goals align with IPL's 2019–2022 Sustainability Strategy, and we are proud to support this initiative to identify and achieve more innovative packaging solutions.

Crucially, the Global Commitment also establishes standard definitions for terminology around these goals. Being aligned around definitions for concepts like recyclability or recycled content eliminates confusion among packaged goods companies, retailers, packaging producers, and raw material producers. It ensures a mutual understanding of the end goal as we work to fulfil our individual commitments.

By 2025

- 01 Eliminate problematic packaging
- 02 100% plastic packaging to be reusable, recyclable or compostable
- 03 Move from single use towards reuse models
- 04 Set ambitious recycled content target across all packaging used



We replaced 14% virgin resins with recycled plastics (an increase on 2018).



We design products with circular capabilities that can easily become raw materials for the future.



Building on the accomplishments of our past achievements, our 2019 to 2022 Strategy is intended to positively impact our customers around the World and deliver measurable results in three Pillars: 'innovation and the circular economy', 'environmental stewardship' and 'people, safety and communities'.

This holistic approach to packaging products will provide us with the social licence to produce innovative packaging solutions for the next 100+ years.

For example, we have committed that our products will contain significant amounts of recycled plastics where feasible, supporting the shift to a more circular business model, whilst also

increasing recycling rates around the World. We have also committed to reduce carbon emissions across our entire value chain by transitioning to a lower-carbon energy future.

We recognize that we cannot accomplish our comprehensive sustainability goals alone. As a global packaging company, we are excited about our Sustainability Strategy – drawing on our entrepreneurial spirit and increasing our collaboration with customers, raw material suppliers, recyclers and innovators to tackle one of the World's most important challenges.

Conor Wall

HEAD OF EHS AND SUSTAINABILITY





















1.4

Sustainability Strategy 2019–2022

Materiality – Identifying What Matters

Our material topics articulate what matters most to our business and is critical to managing our risks and opportunities and our ability to respond to our key stakeholders’ expectations.

During the preparation of our 2019 to 2022 Sustainability Strategy, our partners EY carried out a detailed assessment of our material topics to understand their importance and provide clear direction on the challenges we face. The assessment included interviews with shareholders, customers, internal and external stakeholders and a benchmarking process against our peers in the packaging industry.

Waste	Energy	Climate change	Operational excellence	Innovation and product development/design
				
Talent attraction and retention	Circular economy	Growth and acquisitions	Health & safety	Sustainable raw materials and supply chain
				
Regulation	Research and development	Emissions	Ethics and human rights	Plastic use
				
Training and education	Local communities	Labour relations	Water	Product safety
				

Sustainability Strategy 2019–2022

Our Pillars & Action Areas

Using the top 20 material topics facing the Company, we established Sustainability Pillars. Within these pillars we further identified 10 key Action Areas to focus on over the next 3 years.

Innovation and The Circular Economy



01 Recycled Plastics

02 Innovation and Product Development

03 Design for Circularity

Environmental Stewardship



04 Climate Change

05 Energy

06 Waste

07 Water

People, Safety and Communities



08 Health and Safety

09 Talent Development

10 Communities

1.4

Sustainability Strategy 2019–2022

Our Ambitions

Our sustainability commitments and ambitions are set for 2022, in the line with UN Sustainable Development Goals (See pages. 24, 30 & 36).

For each of our 10 Action Areas, we have stated our ambitions over the next three years.

The Strategy will also be updated periodically to ensure alignment with the IPL strategic framework.

- People Safety and Communities** →

Employee Health and Safety
Maintain a culture where the health and safety of our people is a key priority
- Talent Development** Continue to build a diverse and inclusive workforce culture that feels empowered and supported as we invest in continued career development
- Support for Local Communities**
Actively engage with communities where we operate to create a positive impact and contribute to the local economy
- Environmental Stewardship** →

Climate Change Factor climate change into our decision-making and risk management processes
- Energy** Transition to a low-carbon energy future
- Waste** Develop new solutions that enable us, and our customers, to reduce our collective waste footprint
- Water** Minimize our water footprint across the business



- Innovation and The Circular Economy** ←

Recycled Content Develop products that contain significant amounts of recycled plastics
- Innovation & Product Development**
Innovate our products to ensure more recycled plastic polymers come back into the circular economy
- Design for Circularity** Design products with circular capabilities that can easily become raw materials for the future

1.4

Sustainability Strategy 2019–2022

Driving our Plan Forward

In order to bring our Sustainability Strategy to life, in 2019 we established internationally recognised key performance indicators (KPIs) to better understand baseline performance across our Sustainability Pillars and Action Areas.

We are committed to being transparent about our progress, and we will publicly report on our performance against the KPIs going forward, as highlighted in the performance section of this report.

External assurance also plays an important part, as it provides stakeholders with assurance in respect of our performance.

Details of our assurance process are discussed overleaf.

Reporting →

Publicly disclose Environmental, Social & Governance (ESG) performance

Targets →

Set ambitious targets to drive continuous improvement across our pillars



KPIs ←

Measure and establish KPIs to understand baseline performance across our pillars

Data Management ←

Maintain data management systems to monitor KPI performance

Sustainability Strategy 2019–2022

Assurance Standards

For our 2019 baseline performance Ernst & Young (EY) has provided limited assurance on selected KPIs reported in this Sustainability Report. EY's assurance engagement was planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements (ISAE3410).

The KPI Information was evaluated against the following criteria:

- **Completeness:** Whether all material data sources have been included and that boundary definitions have been appropriately interpreted and applied.
- **Consistency:** Whether the scope and definitions for the Subject Matter Information have been consistently applied to the data.
- **Accuracy:** Whether the data has been accurately collated by IPL management, and whether there is supporting information for the data reported by site to IPL management.

A copy of EY's Independent Assurance Statement is provided on page 45.



Sustainability matters should not be a constraint, but an opportunity to generate value for the long term.



IPL has the collective knowledge and ambition to lead change across the packaging value chain. As we embed circularity into how we do business, we will play a meaningful role in a sustainable, circular economy.

Through our memberships in Industry Associations and Federations, our organisation is contributing to help develop products and frameworks that will drive the change needed to achieve a circular plastics economy. Our efforts are paying off, with recent nominations and awards across multiple geographies including the Plastics Recycling Awards Europe, Automotive Global Awards and the European Excellence Awards.

Because the impacts of climate change are becoming more obvious than ever around the world, with negative human, environmental and economic consequences, we have also prioritized this issue. Our Strategy includes the responsible management of carbon emissions and energy which will facilitate the transition to a low-carbon economy, and the building blocks are now in place to accelerate and deliver this change.

Alain Tremblay
**EHS & SUSTAINABILITY COMMITTEE
(CHAIR)**

Sustainability Governance

Sustainability is Integrated Across Our Governance Framework

IPL Board Committees	Management Frameworks	Group Functions & Networks	Business unit and operation level responsibilities
Audit	Risk Management Framework	Treasury	
Corporate Governance & Nominations	Group EHSS Policy	I.T.	
Human Resources & Remuneration	EHSS Management Structure	Legal	
EHS & Sustainability Committee	EHSS Internal audit	Procurement	
	EHSS Risk Register	Risk & Internal audit	
EHS & Sustainability Committee	Standards & externally verified certification	Global networks including <ul style="list-style-type: none">• Health & Safety• Energy• Environment• Sustainable resins	
Oversees the Group’s sustainability policy, initiatives and performance			
Chaired by Alain Tremblay Non-Executive Director			
Ensures alignment with global best practice			
Executive EHSS Committee			
Management responsibility for sustainability performance, guided by the Sustainability Committee			
Chaired by Alan Walsh, Chief Executive Officer			
Ensures that Divisional Management upholds their responsibilities for sustainability performance			

02

Sustainability Highlights



Innovation and The Circular Economy

A sustainable world depends on a "circular economy", which is an alternative to the traditional "take-make-dispose" system. The goal is to eliminate waste at all stages of the product life cycle by optimizing as much value as possible from resources and materials, and then recovering and regenerating these at the end of their useful life.

Half of IPL's products already positively contribute to the circular economy. To continue driving this transition, we will work closely with our customers and raw material suppliers to innovate and deliver circular packaging solutions.

Innovation and The Circular Economy

Action Area Highlights 2019



Sustainable Development Goals (SDGs) ⁹ and Strategic Objectives



SDG 9.4

By 2030, retrofit industries to make them sustainable, with increased resource-use efficiency.



SDG 12.2

By 2030, achieve the sustainable management and efficient use of natural resources.

SDG 12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

SDG 12.6

Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



Action Area 01 Recycled Content

Replaced 14% of virgin plastics with recycled content (an increase on 2018)

Maintained 50% recycled content use in UK operations, providing a significant outlet for recycled plastics in this region

Many large format products supplied to Europe now contain 100% recycled content

Delivered 38% increase in use of recycled content at California Plant

Launched a new line of paint pails containing 38% recycled content

Initiated a Global Steering Group focussed on sourcing new recycled content



Action Area 02 Innovation and product development

Invested approx. US\$10M on R&D projects, including new process technologies, high-end injection mold development and process automation

Acquired world-class injection mold manufacturing business in Belgium

Consolidated our R&D and Innovation capabilities into 3 customer focussed centres

Invested a further US\$10M in delivering >10M units p.a. for a global brand

Achieved market leading clean-room conditions for the dairy packaging sector at New Brunswick plant



Action Area 03 Design for Circularity (DfC)

Collaborated with Unilever to deliver food packaging made with certified circular polymers, an industry first.

Achieved International Sustainability & Carbon Certification (ISCC) to use circular polymers

Now offering external DfC certifications including APR (North America), IIC (Europe), ReCyclos (Europe) and OPRL (UK)

Recognised by industry for our circular designs through international awards

⁹ United Nations 2015, Sustainable Developments Goals.

2.1

Innovation and The Circular Economy

Action Area 01 – Recycled Content

Investment in a repelletizing unit and growth in our take-back programme delivers 38% increase in recycled content captured.

The Challenge

All our agricultural bins are made of a single FDA approved material, typically weighing 80 lbs of high-grade virgin polymers. This makes each product extremely valuable to recover in a closed-loop circular economy. Through our enhanced buy-back program, we pay fair market prices for our products to capture these FDA approved polymers to be used again.

The Approach

During Q3 2019 we installed a repelletizing unit which allows us to reprocess our returned bins on site, reducing our carbon emission from freighting the material to a third-party company. Additionally, it allows us to significantly increase the amount of recycled content in our products.

The Result

Following the commissioning of the repelletizer in 2019, IPL increased the amount of recycled plastics captured for use in our reusable bins by approx. 1.0 million lbs (38%) when compared with 2018.

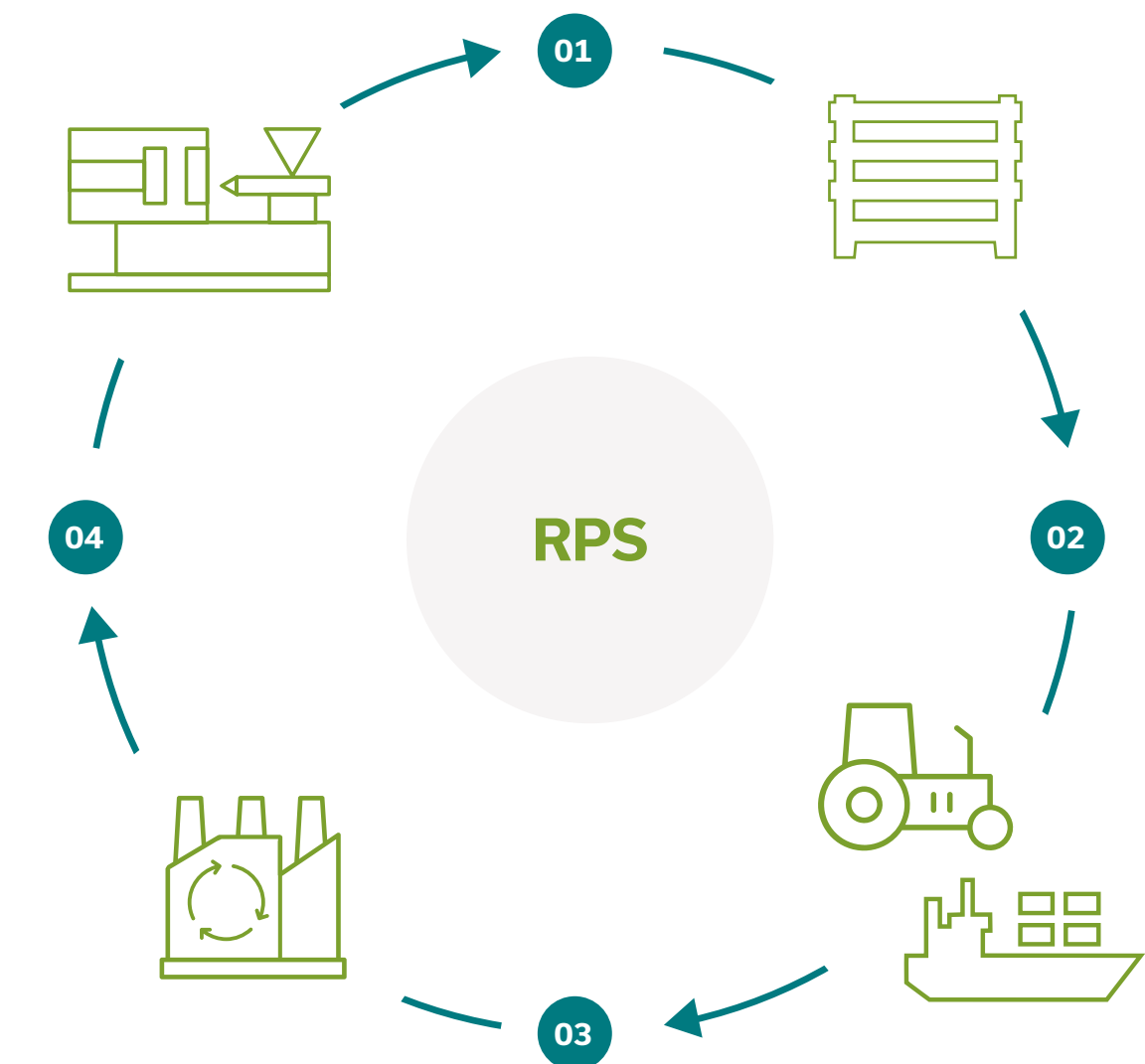
RPS

01 – Bins are built for repeated use

02 – 50 turns per harvest / 45 international trips

03 – Bins returned at end-of-life for recycling (IPL or other)

04 – Recycled plastic returned to new bins



2.1

Innovation and The Circular Economy

Action Area 02 – Innovation and Product Development

IPL brought to market >10 Million units p.a. in under 9 months, exceeding our customer's expectations.

The Challenge

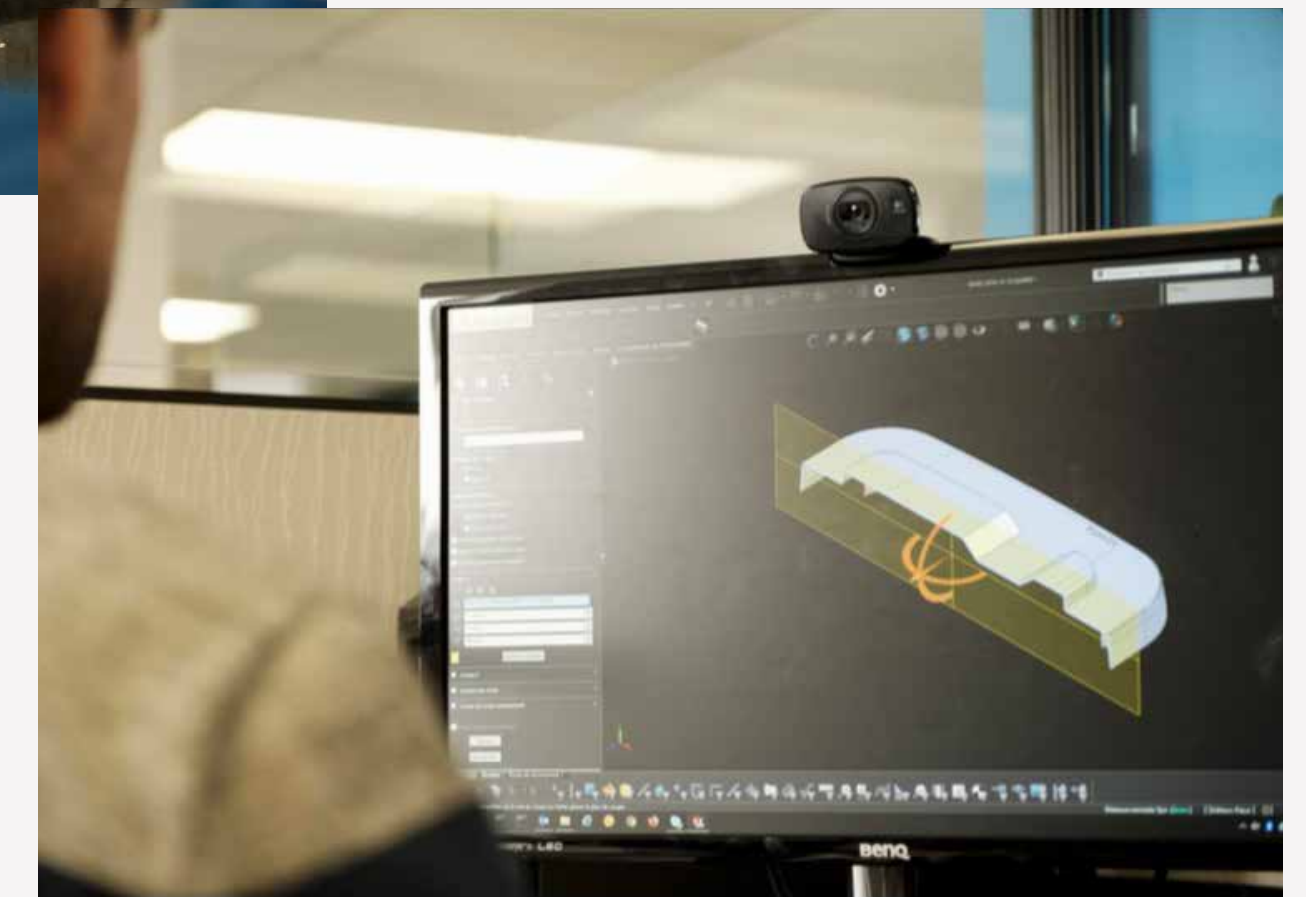
Approached by a global brand to deliver a lighter and more efficient package on a condensed timeline, driven by marketing shelf-reset intervals. IPL delivered a unique part design, implemented the necessary equipment and supported a multi-site launch in less than 9 months.

The Approach

IPL collaborated closely with the brand owner to capture the desired outcome, which was translated to a part design, specification and new manufacturing method. IPL executed its proven Product Development Process which provided a consistent framework to ensure the project progressed on target.

The Result

Delivered newly developed product on time, on budget and within specification. Furthermore, IPL provided world-class technical support to the customer's sites ensuring the part specification translated to performance on their filling lines.



2.1

Innovation and The Circular Economy

Action Area 03 – Design for Circularity

IPL brings ground-breaking circular polymers to the market, keeping waste plastics in the loop.

The Challenge

In 2019, Unilever announced that it will halve its use of virgin plastic by 2025, by accelerating its use of recycled plastic. To address this commitment, IPL collaborated with Unilever and SABIC to deliver food-grade packaging using ground-breaking technology.

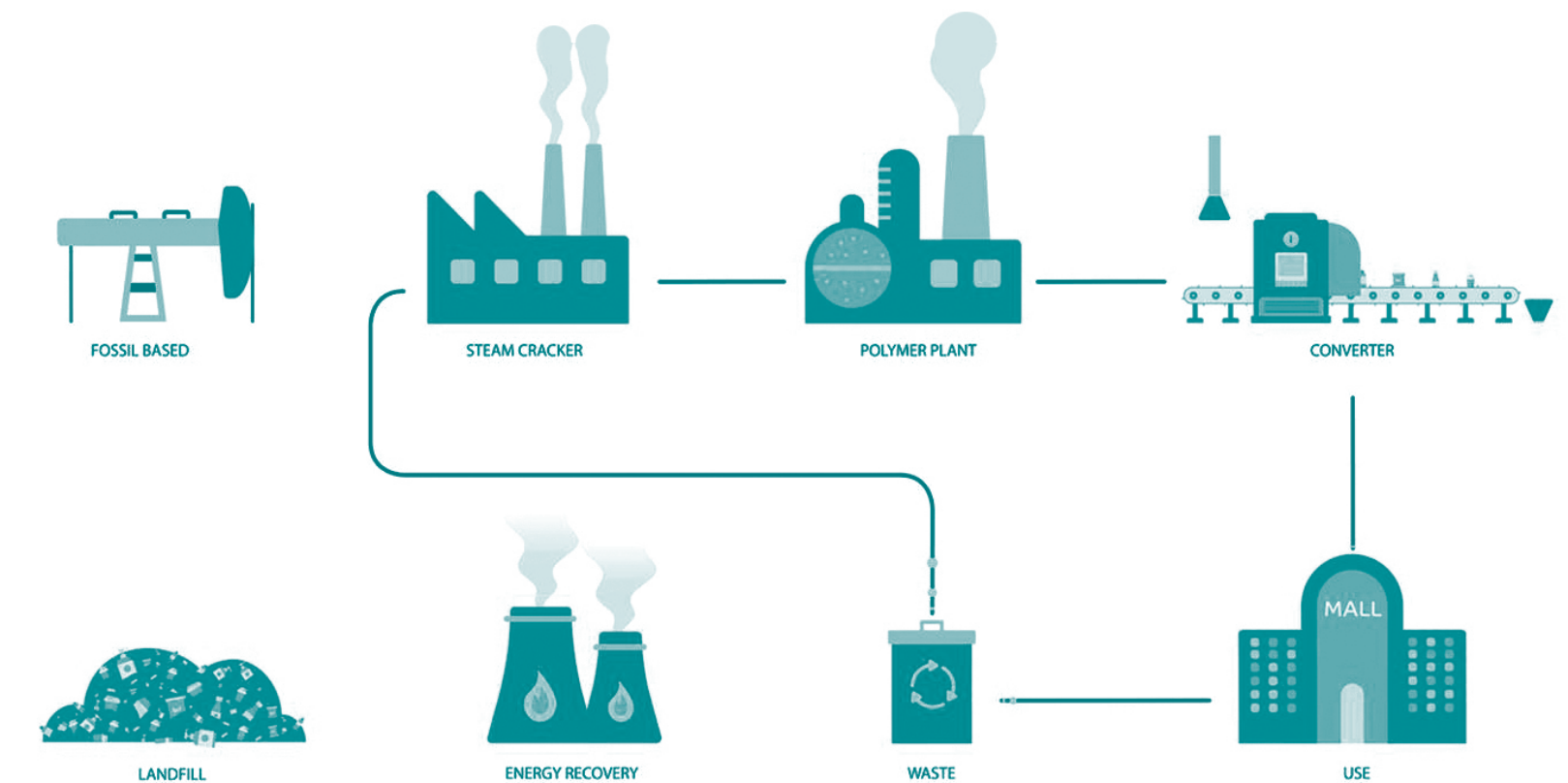
The Approach

Circular polymers were created from the recycling of low-quality, mixed plastic waste otherwise destined for incineration or landfill. To qualify in using these circular polymers, IPL needed to achieve the demanding ISCC Plus Certification, which enables converters track and verify our usage.

The Result

Using SABIC's technology, in August 2019, Magnum became the first ice-cream brand to use food-grade recycled plastic, launching 600,000 tubs across Europe.

Chemical recycling creates feedstock from plastic waste, reducing the need for fossil based resources.



“ Chemical recycling promises pellets of the same standard as virgin resin”

Financial Times,
FEBRUARY 2020



In 2019 we invested \$10m in Innovation R&D and Product Development – 1.64% of our total revenues.



Environmental Stewardship

Our shared planet is the most prized of resources. We recognize that potential environmental impacts generated by the global plastics industry are concerns for all of our stakeholders.

As part of our 2019–2022 Sustainability Strategy, we will help to fulfil our customers' needs while continuously shrinking our environmental footprint, including driving down emissions and potential climate change impacts.

Environmental Stewardship

Action Area Highlights 2019



Sustainable Development Goals and Strategic Objectives



SDG 7.2
By 2030, increase substantially the share of renewable energy in the global energy mix



SDG 7.A
By 2030, facilitate access to renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology



SDG 9.4
By 2030, retrofit industries to make them sustainable, with increased resource-use efficiency



SDG 12.2
By 2030, achieve the sustainable management and efficient use of natural resources

SDG 13.2
Integrate climate change measures into policies, strategies and planning

SDG 13.3
Improve education on climate change mitigation



Action Area 04 Climate Change

Delivered global GHG emissions tracking tool, identifying key areas to target emissions reduction

Tool confirms largest consumer of energy in Group operates on 100% hydro-power

>95% of Scope 1 & 2 GHG emissions are from purchased electricity

Global energy advisor now assisting with energy management strategy 2020–2022

Scope 3 emissions (raw material resins) will be tracked from 2020 onwards in the GHG tool

Lee’s Summit Plant disclosed GHG emission profile under the Carbon Disclosure Project (to meet customer’s request)



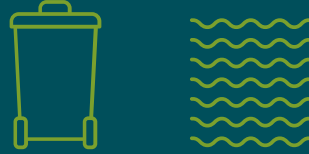
Action Area 05 Energy

Developed a cloud-based system of accurately tracking the Group's sources/amounts of energy used

Comprehensive review of all energy management contracts. From 2020 onwards, focus on longer-term renewable inputs, where feasible

Developed a demand side monitoring system to control energy inputs during start-up, delivering significant consumption reduction

Initiated a project in California which is projected to deliver annualized saving of 250,000kWh from the facility's energy consumption (US\$50k saving p.a.)



Action Area 06 & 07 Waste & Water

Created an outlet for 22,165 tonnes of recycled plastics in the circular economy

Worked with Ford/Chep to remove dependence on single-use cardboard and plastic packaging by developing award winning returnable solution (EuroBin)

Life Cycle Analysis of our bulk export bin confirmed significant carbon, water and energy savings

A bespoke oil/water recycling system was designed in-house to address liquid wastes (zero waste achieved, and delivered savings of US\$130K p.a.)

Environmental Stewardship

Action Area 04 – Climate Change

In 2019 we delivered a state-of-the-art global GHG emissions tracking tool, which identifies key emissions activities to target.

The Challenge

To address climate change risks and opportunities, we needed to develop a global Green House Gas (GHG) emissions tracking tool. This tool initially had to focus on Scope 1 and Scope 2 emission sources, but with additional capabilities to track GHGs across our value chain. The tool was also required to meet limited assurance in accordance with the International Standard for Assurance Engagements (ISAE) 3410 GHG Statements.

The Approach

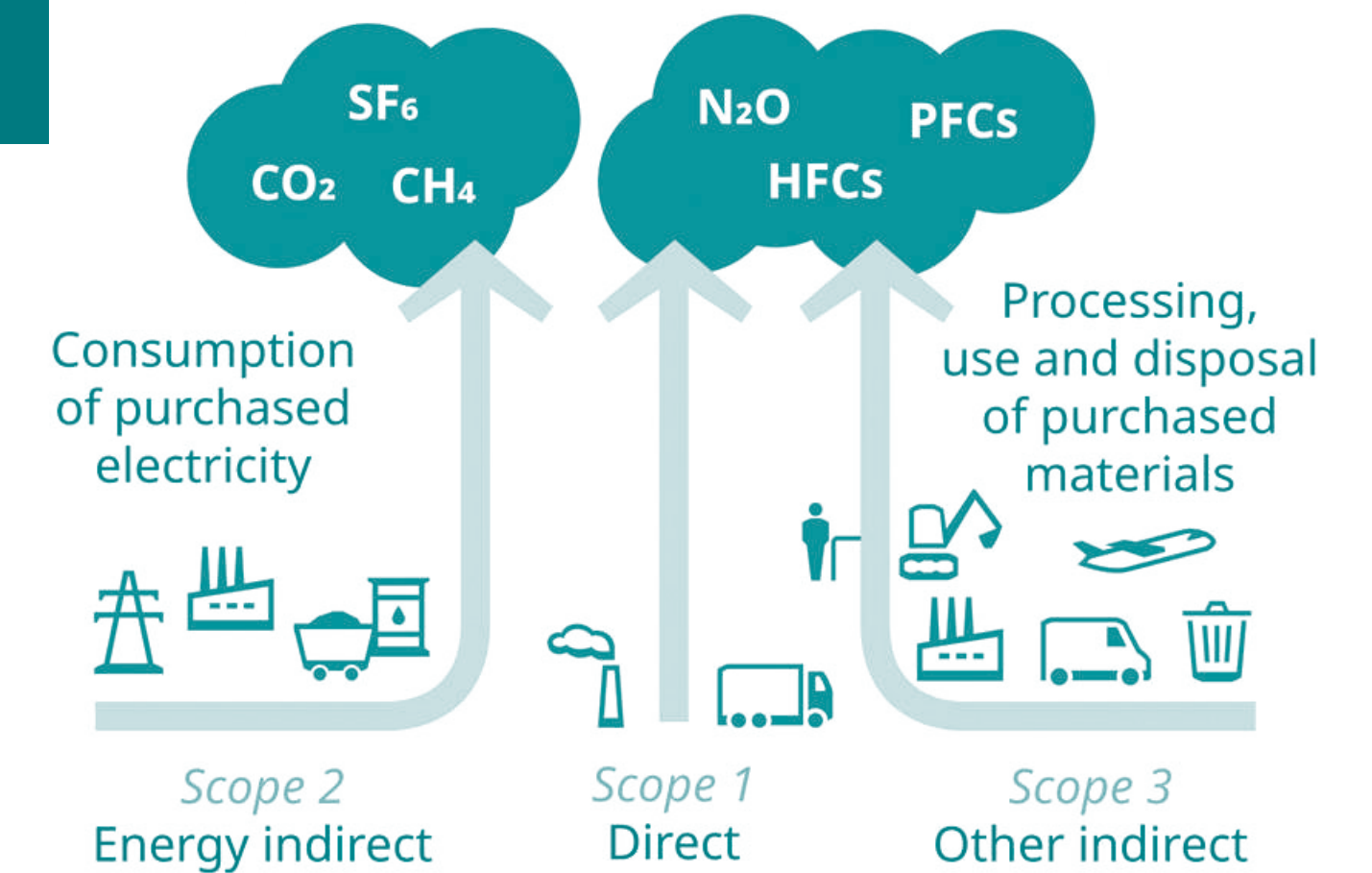
With the assistance of our global energy partner Ameresco, we developed an in-house solution using Power BI as the dashboard to facilitate GHG tracking across our organisation. The system can facilitate all GHG emissions sources, and also host other sustainability KPIs such as recycled content and Health & Safety as a one-stop-shop to sustainability reporting and disclosure.

The Result

Delivered a state-of-the-art 3410 tool that meets the ISAE 3410 Assurance Standard on Greenhouse Gas Statements. This tool now allows us to identify key emissions activities to target.

Greenhouse gas emissions across the value chain

Scope 1, 2 and 3 emissions



Environmental Stewardship

Action Area 05 – Energy

Demand-side energy management system improves plant electricity consumption by approx. 21%.

The Challenge

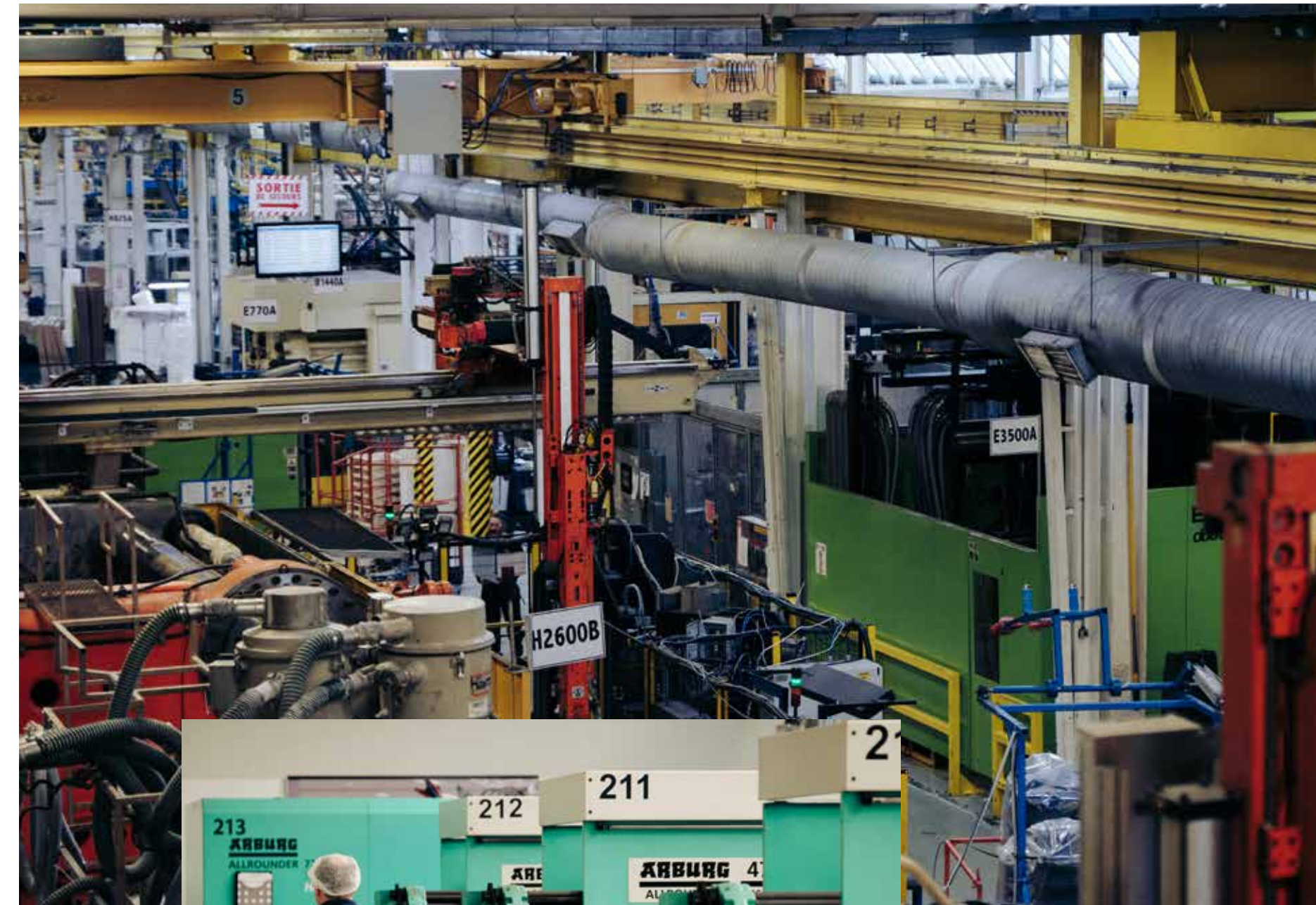
Powering up all production machinery at once can create a large spike in our facilities' energy demand, in particular for 24hr/5day production schedules. If the start-up of multiple units is staggered, this can address the false peak in energy consumption at peak times on the grid.

The Approach

Using 2 hourly grid consumption logs from the utility supplier, our engineers in our UK Plant were able to establish demand patterns during start-up to address demand side consumption at peak times.

The Result

Following comprehensive monitoring and testing, consumption was reduced from 1,400kWh to 1100kWh (approx. 21% reduction). The plant has also installed 13 sensors across all molding machines, compressors, chillers and granulators and implemented real-time monitoring. Expected to deliver additional savings in 2020.



Environmental Stewardship

Action Area 06 & 07 – Waste & Water

Lifecycle analysis quantifies the environmental benefits of returnable packaging for our customers.

The Challenge

In order to address an over-reliance of single-use corrugates used in the bulk export market, our RPS Division developed a packaging solution for tough harvest conditions, handling, storage and shipping of agricultural produce. The challenge was to fully understand the environmental benefits for our customers through quantitative life cycle analysis.

The Approach

We compared the Macro Hybrid 1012 to a corrugate gaylord which is considered single-use. The Hybrid 1012 nests for efficient return transport and is estimated to have a lifespan of 45 trips. In this study, the gaylord's corrugate shell is disposed of, and the pallet may be reused locally. 1 trip is estimated to be 1000km.

The Result

The Hybrid 1012 returnable bin performed significantly better than its corrugate counterpart due to its unique reusable and lightweight design. Whilst the corrugate bin was used just once, generating significant amounts of waste for our customers, the Hybrid bin went on to be used up to 45 times more. Life cycle analysis also demonstrated water saving during production of the packaging.



4.1 tonnes of alternative materials (e.g. glass, metal, paper) are required to replace one tonne of plastic in consumer applications.⁴

⁴ Goldman Sachs, July 2019, The Plastics Paradox.



People, Safety and Communities

People and communities are the cornerstones of IPL's success – and future sustainability. We rely on motivated and healthy people to meet the needs of our customers. We rely on strong local communities to support and enable our operations.

Helping our team and local communities thrive is a pillar of our 2019–2022 Sustainability Strategy. We will further invest in protecting our people, developing future talent and enabling greater engagement with our local communities.

People, Safety and Communities

Action Area Highlights 2019



Sustainable Development Goals and Strategic Objectives



SDG 8.3
Promote policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation



SDG 8.5
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities.

SDG 8.8
Protect labour rights and promote safe and secure working environments for all workers

SDG 9.2
Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry’s share of employment



Action Area 08 Health and Safety

New cloud-based health and safety (H&S) system developed, which tracks performance against peers.

No H&S compliance citations at any IPL facility in 2019.

3rd Party compliance assessments undertaken at all locations. No critical findings.

Production facilities at high level of H&S systems maturity.

H&S events launched at US and Canadian plants.

ERM Consultants to perform annual EHS audits at each plant.



Action Area 09 Talent Development

St. Damien Plant introduced LEAN manufacturing with dedicated leaders for each LEAN cell.

Significant improvements were observed across all LEAN performance indicators.

Invested further in employee's leadership and supervisory training.

Supported professional development (MBA's, CPA, CPHR).

Developed close relationships with local colleges to offer apprenticeships and student summer work for trades in North America and Europe.



Action Area 10 Communities

Returnable packaging division in North America contributed significantly to '1% for The Planet' Foundation.

Donations to community projects: Social Plastic Foundation, Root Capital, Food Forward, Classroom in Bloom and SeedLeaf.

In Edmundston we supported the local health mental services, a local community focus.

US Plants participated in local give-back activities including donations to the food bank and 'Toys for Tots' campaign.

UK Plants donated IPL products to charities in our local communities.

People, Safety and Communities

Action Area 08 – Health and Safety

U.S. and Canadian Plants host safety and wellness events, showcasing the Group's ongoing commitment to health and safety.

The Challenge

Host H&S events to raise awareness and understanding of the value of H&S programs, including management leadership, worker participation, and a systematic approach to finding and fixing hazards in the workplace.

The Approach

To align with the National Safety Council program our U.S. and Canadian Plants participated in a safety and wellness event to energize our existing H&S programme, and also provide the chance to highlight our Group safety successes in 2019.

The Result

Our employees participated in a wide range of events, including:

- Mental health awareness
- Healthy eating
- Hearing tests and foot scanning
- Blood drive
- Massage, stress relief and flu shots
- Blood testing, blood pressure and BMI assessments



SAFE + SOUND 
Safe + Sound is a year-round campaign to encourage every workplace to have a safety and health program.

the **ea!**
The Employers' Association



U.S. DEPARTMENT OF LABOR



People, Safety and Communities

Action Area 09 – Talent Development

LEAN Manufacturing approach delivers step-change to talent development and employee retention.

The Challenge

Due to legacy production layouts and processes at our largest plant, this led to unutilized talent, significant waiting times during tasks, poor talent development and continuous improvement. Other issues included lack of effective teamwork and employee ownership by always deferring to the Supervisor to take decisions.

The Approach

Firstly, all key employees visited other plants with successful LEAN process in place. Next the employees and management worked on a plan to rearrange the plant layout into three distinct cells based on the products being produced. A leader was chosen for each cell, to help existing employees and new starts, who were expected to expand their roles to include setup participation, staging workstations and general housekeeping.

The Result

Significant improvements observed included:

- Improved employee turnover rate
- Collaboration, mutual aid and team-work
- Better mobilization and appropriation of employees
- Less movements between machines
- Housekeeping benefits

In addition the project created a 'team captain' position, key to engaging and developing new talent.



People, Safety and Communities

Action Area 10 – Communities

We are proud members of '1% for the Planet', through which we pledge support to address pressing environmental challenges.

The Challenge

To deliver on our ambition to create a positive impact on our local communities, our challenge was to ensure our environmental and community support initiatives are credible, focussed and address the most pressing environmental issues in our local communities.

The Approach

In 2019 our RPS Division pledged 1% of sales from our Hybrid line of products to non-profit organisations. The '1% for the Planet' Foundation is dedicated to tackling environmental issues and rely on approved non-profit partners' expertise to implement proven solutions. Through this expertise, the Foundation can drive true on-the-ground change in local communities.

The Result

Through the 1% for the Planet network, in 2019 IPL supported the following non-profit partners:

- Social Plastic Foundation
- Root Capital Inc.
- Food Forward Inc.
- Classroom in Bloom
- SeedLeaf Inc.

Social Plastic Foundation supports, enhances and grows the world's recycling ecosystems.



Food Forward fights hunger and prevents food waste by rescuing fresh surplus produce, connecting this abundance with people in need and inspiring others to do the same.



Seedleaf gives people a chance to grow food, to cultivate an appreciation for healthy, local, nutritious food, and to promote availability to such food by installing and maintaining gardens in and around Lexington, Kentucky.



Root Capital partners with agricultural businesses to improve communities around the world



Classroom in Bloom's mission is to inspire children to grow healthy food and connect with nature. Sow it, grow it, eat it, know it.



As we embed circularity into how we do business, we will play a meaningful role in the future circular economy.



03

Performance



3.1

Innovation and The Circular Economy

	What we said	What we did in 2019	Performance in brief	2019*	
Recycled Plastics	Develop products that contain significant amounts of recycled plastics.	We have developed a global resin procurement process for both virgin and recycled resins, across all divisions which allows us to track and validate our recycled plastics content as a percentage of our overall resin use.	13.9% ^Δ recycled content across all operations.	●	● Achieved/exceeded target
Innovation and Product Development	Innovate our products. Ensure more recycled plastic polymers come back into the circular economy.	Invested approx. US\$10M on R&D projects, including emerging polymers, new process technologies, high-end injection mold development process automation.	US\$9,946,262 ^Δ represents 1.64% of total revenues for 2019.	●	● Slightly behind target
Design for Circularity	Design products with capabilities that can easily become raw materials for the future.	In 2019 IPL recognised the importance of on-pack labelling to ensure our packaging is successfully captured and returned to the Circular Economy. We now promote the following designs for recycling: North America – APR Design Guide, Europe – Cyclos HTP, Europe – ReCyclclass Online tool, UK – On-Pack Recycling Label OPRL. Collaborated with Unilever to deliver food packaging with ground-breaking circular polymers, an industry first.	Promote the use of globally recognised design for recycling guidelines.	●	● Needs additional focus

* Progress performance metrics are calculated including both Looman's Group, which was acquired in March 2019, and Remer facility which was in the Group until it was sold in August 2019.

Δ Independent Assurance provided by EY

3.1

Environmental Stewardship

	What we said	What we did in 2019	Performance in brief	2019*	
Climate Change	Factor climate change into our decision-making and risk management processes.	<p>Developed a Green House (GHG) Emissions tracking tool across our entire portfolio, which is now accurately calculating our Group Scope 1 and Scope 2 emissions.</p> <p>By establishing our baseline for the 2019 period, we can now identify carbon intense operations with a view to setting reduction targets for GHG emissions into the future.</p>	<p>Scope 1: 3,350^Δ tonnes of C02e.</p> <p>Scope 2: 70,430^Δ tonnes of C02e.</p> <p>GHG Intensity: 122 tonnes of C02e per \$1M of revenues.</p>	<div></div>	<div></div>
Energy	Transition to a low-carbon energy future.	We have developed a system of tracking the sources of energy used across all our operations. Using 2019 as a baseline, we will set a target to transition to renewable energy sources from 2020 onwards.	<p>229.5 Million kWh^Δ of electricity consumed.</p> <p>Production intensity: 1440kWh^Δ per tonne of resins processed.</p>	<div></div>	
Waste	Develop new solutions that enable us, and our customers to reduce our collective footprint.	IPL transformed the European bulk packaging model by introducing the new EuroBin, which eliminates traditional forms of single-use packaging like flexible plastics, cardboard and corrugate.	Transformed the European bulk packaging model – recognised by global award.	<div></div>	
		Life Cycle Analysis confirmed our returnable packaging solutions for the Agricultural Market (The Hybrid 1012) can be used up to 45 times, compared to single-use cardboard alternatives.	Conducted Life Cycle Analysis to quantify our reduced footprint on the environment.		

* Progress performance metrics are calculated including both Looman's Group, which was acquired in March 2019, and Remer facility which was in the Group until it was sold in August 2019.

Δ Independent Assurance provided by EY

3.1

People, Safety and Communities

	What we said	What we did in 2019	Performance in brief	2019*
Health and safety	Maintain a culture where the health and safety of our people is a key priority.	<p>We have developed a cloud-based health and safety (H&S) tracking system, which allows us to accurately track our H&S performance in a uniform and consistent manner across all our operations.</p> <p>Using the Total Recordable Case Rate (TRCR) as recognised by OSHA, we can benchmark our performance against our peers.</p>	4.8 TRCR ^Δ	<div></div>
Talent Development	Continue to build a diverse and inclusive workforce culture that feels empowered and supported as we invest in continued career development.	LEAN work cells introduced at St. Damien Plant to promote talent retention.	LEAN work cells introduced	<div></div>
		14 Apprenticeships ongoing across UK plants through the Advanced Manufacturing Research Centre, HETA Staffordshire College.	14 Apprenticeships	
Communities	Actively engage with communities where we operate to create a positive impact and contribute to the local economy.	<p>Supported local community projects including Social Plastic Foundation, Root Capital, Food Forward, Classroom in Bloom and SeedLeaf.</p> <p>Local community projects supported in U.S. and Europe.</p>	\$71,428 ^Δ	<div></div>

- Achieved/exceeded target
- Slightly behind target
- Needs additional focus

* Progress performance metrics are calculated including both Looman's Group, which was acquired in March 2019, and Remer facility which was in the Group until it was sold in August 2019.

^Δ Independent Assurance provided by EY

Independent Assurance Statement to IPL Plastics Inc.

EY ('we') were engaged by IPL Plastics Inc. ('IPL') to provide limited assurance over selected Subject Matter Information for the year end 31 December 2019.

Subject Matter Information

The scope of our work includes only the information included within the Sustainability Report ('the Report') for the year ended 31 December 2019 marked with the symbol ^A ('the Subject Matter Information').

Respective responsibilities

IPL management is responsible for the collection and presentation of the information within the Report. IPL management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error. IPL management is also responsible for measuring and reporting the Subject Matter Information in accordance with IPL's internally developed KPI Boundary Report (the 'Reporting Criteria').

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria and to report to IPL in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Assurance Standards

Our assurance engagement has been planned and performed in accordance with the *International Standard for Assurance Engagements* (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) and *ISAE 3410 Assurance Engagements on Greenhouse Gas Statements* (ISAE3410). The Subject Matter Information has been evaluated against the following criteria:

- Completeness: Whether all material data sources have been included and that boundary definitions have been appropriately interpreted and applied.
- Consistency: Whether the scope and definitions for the Subject Matter Information have been consistently applied to the data.
- Accuracy: Whether the data has been accurately collated by IPL management, and whether there is supporting information for the data reported by stores to IPL management.

Summary of work performed

The procedures we performed were based on our professional judgement and included, but are not limited to, the following:

- Interviewed management to understand the key processes, systems and controls in place for the preparation of Subject Matter Information.
- Performed a review of the data management systems, tested reasonableness of conversion factors applied, reviewed alignment with the Reporting Criteria and conducted analytical review procedures over the Subject Matter Information.
- Undertook a site visit to a selected IPL operation

to understand the process of data collection and reporting from site level to head office.

- Agreed sample selection to supporting documentation and re-performed calculations.
- Assessed the appropriateness of the Reporting Criteria for Subject Matter Information.
- Reviewed the Report for the appropriate presentation of the Subject Matter Information, including the discussion of limitations and assumptions relating to the data presented.

Limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement and therefore a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on IPL's controls for managing and reporting Subject Matter Information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at IPL beyond those used for the Subject Matter Information.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with IPL management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria, which were applied by management.

Our independence

We have implemented measures to comply with IFAC *Code of Ethics for Professional Accountants*¹. We also adhere to the professional competence rules as articulated in the ISQC (UK & Ireland) 1: *Quality control for firms that perform audits and reviews of financial statements and other assurance and related service engagements*².

Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements) as well as applicable legal and regulatory requirements.

Ernst & Young

Dublin,
11 March 2020

1 International Federation of Accountants: The International Code of Ethics for Professional Accountants
2 Financial Reporting Council International Standard on Quality Control 1 (ISQC1)

Awards and Recognition

IPL's commitment to environmental stewardship and sustainable packaging have helped us achieve widespread recognition as a sustainability leader and cemented our role as a leading global packaging company. Some of the recent achievements of which we are proudest are demonstrated here.

- National Recycling Awards 2020
- Manufacturing and Supply Chain Awards 2019
- Plastics Industry Awards 2019
- Plastics Recycling Awards Europe 2019
- Sustainable Awards 2019
- Automotive Global Awards 2018
- European Recycling Platform Awards for Excellence 2018
- Let's Recycle Awards for Excellence 2018





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