

A woman wearing a blue hard hat, safety glasses, and a grey hoodie is looking off to the side in a factory setting. The background is filled with industrial equipment and machinery.

# ENHANCING LIVES

*for a Better World*

2023  
Sustainability  
Report





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# INTRODUCTION

At CNG, we enhance lives for a better world by designing, innovating, and producing specialty films, with an ever-growing focus on sustainable offerings, for our customers in the food, consumer goods, industrial, and healthcare markets.

By leveraging our expertise in material science to create sustainable solutions, we are making an impact on people and the planet.

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“2023 was a pivotal year for CNG. We more than doubled our sales volume of sustainable film products compared to the previous year, we established greenhouse gas emissions reduction targets, and we significantly increased the number of certifications we received for our sustainable specialty films.”

## MESSAGE FROM OUR CHAIRMAN AND CEO

### Purpose Drives Growth

At Charter Next Generation (CNG), our purpose is clear: **Enhancing Lives for a Better World**. Introduced in 2023, this commitment steers our operations and guides us toward a more sustainable future. It shapes how we engage with our people, innovate solutions, and collaborate with customers, driving positive environmental and societal impact while generating growth and value.

Our business and sustainability initiatives are tightly interlinked with our purpose, delivering significant outcomes across our four pillars: **Customers, Planet, People, and Communities**. We focus on innovations in food preservation, waste reduction, energy efficiency, resource conservation, and equitable employment, addressing global challenges and advancing material science solutions.

2023 was a pivotal year for CNG. We more than doubled our sales volume of sustainable film products compared to the previous year, we established greenhouse gas emissions reduction targets, and we significantly increased the number of certifications we received for our sustainable specialty films. Aligning our business solutions with our sustainability goals also allows us to address the growing demand for recyclable, compostable, and low-carbon packaging materials.

### Our Commitment to a Sustainable Future

In 2023, CNG achieved significant milestones in sustainability across all our strategic pillars:

- **Customers:** We now have more than 250 pre-qualification letters from the Sustainable Packaging Coalition’s [How2Recycle](#) label, enhancing our market leadership in sustainable packaging solutions.
- **Planet:** We validated our climate commitments with the Science Based Targets initiative (SBTi)

and advanced our Zero Waste to Landfill efforts, with seven facilities now achieving Zero Waste to Landfill status.

- **People:** We strengthened our Employee Ownership Program and launched TrustPlus, a financial counseling initiative, affirming our commitment to employee well-being.
- **Communities:** We donated approximately \$525,000 to local communities, deepening our commitment to local, meaningful causes for our employee owners.

### Collaborating with Our Partners to Accelerate Sustainable Innovation

We are successfully growing the range of sustainable products we offer our customers, including the incorporation of post-consumer recycled (PCR) materials in some specialty films. We are also innovating with compostable films and are working to develop and expand availability of carbon neutral films.

In 2024, we anticipate another year of strong growth and progress and aim once again to more than double our sales of sustainable films, while continuing to work to minimize our carbon and water footprints. We also remain committed to nurturing an inclusive workplace and supporting our communities through active volunteerism and philanthropy.

As we advance, we do so with optimism, driven by our commitment to our purpose and our people. We remain focused on making a lasting impact, driving sustainable growth and enhancing lives for a better world.



**Kathy Bolhous**

Chairman and Chief Executive Officer



## CNG AT A GLANCE

**50+ Years**

of solutions materialized

**Food, Consumer Goods,  
Industrial, and Healthcare**

end markets

**\$1.4 Billion**

revenue in 2023

**2,200+**

employee owners

**1 Billion+ Pounds**

annual capacity

**250+**

certified recycle-ready<sup>1</sup> solutions

**16 Manufacturing**

facilities

**1 Company**

enhancing lives

Visit [CNGinc.com](https://www.CNGinc.com) for more information.



<sup>1</sup> The "recycle-ready" metric measures packaging designed for recyclability with current technology, following standards from the Association of Plastics Recyclers (APR), Circular Economy for Flexible Packaging (CEFLEX), and similar organizations. This metric does not reflect the actual amount of flexible packaging that is recycled.



# ABOUT THIS REPORT

We are pleased to share CNG’s inaugural 2023 Sustainability Report. This document provides an update on CNG sustainability initiatives and our progress towards our objectives. The report covers CNG’s fiscal year ending January 7, 2024, unless otherwise noted.

The report is structured on the four pillars that form the CNG sustainability framework: customers, people, planet, and communities. It illustrates and highlights our ambitions, and describes how CNG is driving the growth of specialty films through a focus on sustainability. The report is intended primarily for our internal and external stakeholders.

CNG is committed to improving transparency in our climate-related financial disclosures. In crafting this report, we have considered the recommendations of recognized disclosure frameworks such as the [Science Based Targets initiative \(SBTi\)](#), [UN Global Compact](#), [CDP](#), and the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#). We will work with stakeholders to evaluate opportunities to evolve our disclosures in future reports.

See Appendix for [TCFD](#) Content Index.

CNG makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained in this 2023 Sustainability Report, including, without limitation, information obtained from third parties. Some of the information contained in this report has not been independently verified or assured by CNG or any third party. Unless required by applicable law: (a) CNG does not accept any responsibility for the content of such information and does not guarantee the accuracy, adequacy, or completeness of such information and any other information contained in this 2023 Sustainability Report; (b) the information contained in this 2023 Sustainability Report may change at any time without notice; (c) CNG does not have any responsibility to update this 2023 Sustainability Report to account for any such changes; and (d) CNG does not have any responsibility to produce additional or modified sustainability reports, including, without limitation, to provide corrections, updates, restatements, or modifications to this 2023 Sustainability Report.



United Nations  
Global Compact



TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



# 2023 SUSTAINABILITY HIGHLIGHTS

Supported the collection of

**423,000 lbs.**

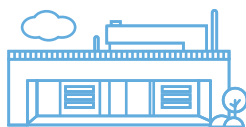
of plastic through the Trex Plastic Film Recycling Challenge



Donated nearly

**\$525,000**

to local communities, supporting over 80 organizations



Employees collected over

**50,000**

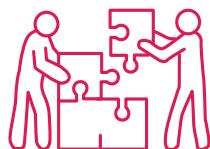
pieces of litter, as a part of the [2023 Earth Week Challenge](#)



Distinctive culture with over

**2,200**

employee owners



Improved employee safety with an

**65% reduction**

in the lost-time incident rate

**100%**

of Community Giving Funds are employee-directed

**20%**

of mid-level managers and above are female

**100%**

of employees completed Code of Conduct training



Expanded the **GreenArrow™ product portfolio**, leading to a more than

**100%**

increase in sales of GreenArrow™ products

Expanded portfolio to

**250+**

How2Recycle pre-qualification letters

Earned an

**A- Rating**



for supplier engagement and a **B score for climate change performance** from CDP

**86%**

of specialty films portfolio is recycle-ready, where recycling infrastructure allows<sup>1</sup>



Near-term and net zero **GHG emission reduction targets validated** by SBTi in alignment with the Paris Agreement

Achieved **ISCC PLUS certification** at two additional facilities, totaling

**3 sites**

Obtained

**21 GreenCircle**

certifications for postconsumer recycled film solutions



Grew specialty film volume containing **post-consumer recycled materials by**

**400%**

Achieved **zero waste to landfill status at 7 CNG sites to date**, diverting more than

**6.1M lbs.**

of waste

Achieved **EcoVadis Bronze rating - Top**

**35%**

of companies rated by EcoVadis



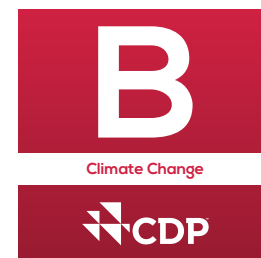
<sup>1</sup> The "recycle-ready" metric measures packaging designed for recyclability with current technology, following standards from the Association of Plastics Recyclers (APR), Circular Economy for Flexible Packaging (CEFLEX), and similar organizations. This metric does not reflect the actual amount of flexible packaging that is recycled.



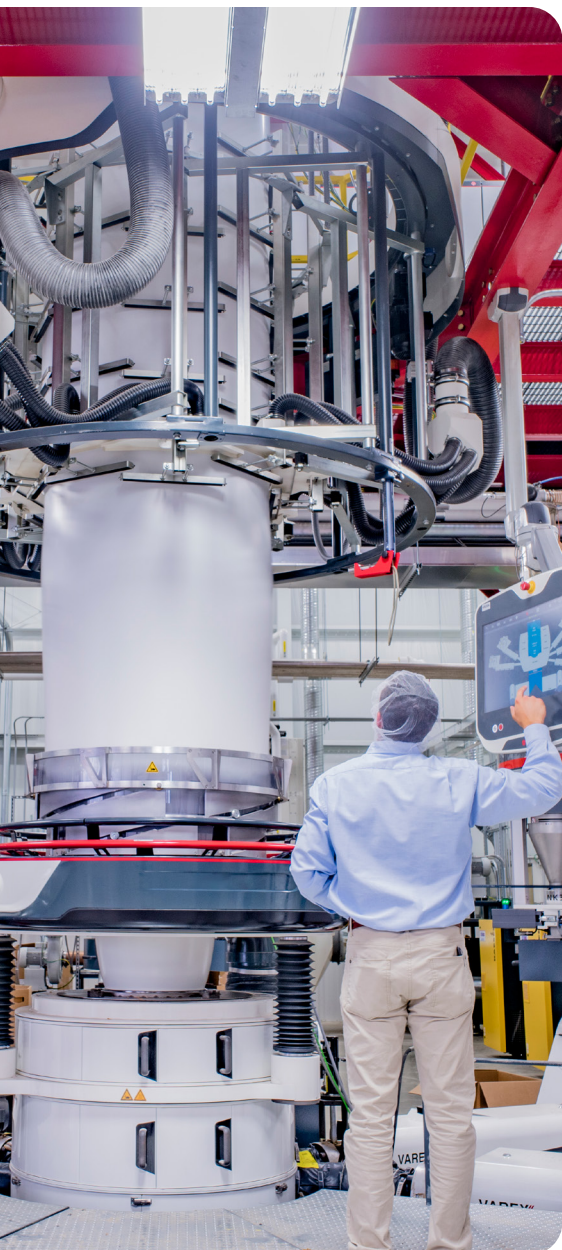
## OUR MEMBERSHIPS AND PARTNERSHIPS



## OUR 2023 RECOGNITIONS







## ABOUT CNG

At Charter Next Generation (CNG), we solve problems. We are a leading provider of specialty films and advanced material science solutions in North America serving the food, consumer goods, industrial, and healthcare markets.

With a history and track record dating back to 1971, CNG is known for world-class manufacturing capabilities, operating 16 facilities with a workforce of 2,200+ employees across the U.S. We embrace a distinctive, 100% employee ownership culture that fosters entrepreneurship and a customer-centric approach, underscored by our partnership with [Ownership Works™](#), a nonprofit dedicated to promoting shared ownership.

Driven by the power of employee owners, CNG helps to solve some of the world's toughest challenges such as preserving food, reducing waste, improving energy efficiency, addressing the wage gap, and protecting the environment through advanced materials and continuous innovation. As material science experts, we are dedicated to advancing sustainability, circularity, and a low carbon future, enhancing lives for a better world.

Our operations are propelled by a team focused on safety, quality, and productivity. We leverage material science to design, engineer, and produce high-quality specialty films and products that are built for performance and sustainability. Our specialty films offer a complete range of blown and cast solutions that help our customers achieve market success, with our award-winning GreenArrow™ sustainable film portfolio meeting the growing demand for recycle-ready<sup>1</sup>, recycled content, compostable, and low-carbon packaging solutions.

1 The "recycle-ready" metric measures packaging designed for recyclability with current technology, following standards from the Association of Plastics Recyclers (APR), Circular Economy for Flexible Packaging (CEFLEX), and similar organizations. This metric does not reflect the actual amount of flexible packaging that is recycled.



### Why Material Science?

At CNG, we use material science to create stronger, lighter, and more sustainable films and flexible packaging. We leverage our expertise across polymers and fabrication technologies to design and manufacture complex multilayer films. This includes specialty films used in food packaging to keep products fresh longer, self-healing films for building membranes, and films designed for recyclability that maintain the performance of previous generation non-recyclable films. Our use of advanced materials in multilayer films helps reduce environmental impact, maintain food quality, reduce waste, and improve sustainability.

As a leading manufacturer, CNG's focus on sustainability has driven our growth above industry averages, supported by a commitment to manufacturing excellence, agility, and innovation. In 2023, 86% of our specialty films were recycle-ready, where recycling infrastructure allowed, demonstrating our commitment to meeting diverse application and customer needs.

CNG is a leader in the industry because we never stop innovating. With an eye on sustainability and emerging packaging trends, we constantly push ourselves on raw materials, production equipment, and material science.

We're enhancing lives for people and protecting the planet we all share.

## OUR PURPOSE: ENHANCING LIVES FOR A BETTER WORLD

We are committed to making a positive impact on people and the planet. By organizing our workforce and innovating our products, we aim to help tackle some of the world's toughest environmental and social challenges.

**PURPOSE**  
*Why we exist*

ENHANCING LIVES  
*for a Better World*

**VISION**  
*Who we strive to be in the future*

World's leading provider of sustainable solutions to create a better world.

**MISSION**  
*What we do and what differentiates us in the industry*

We deliver best-in-class material science solutions to accelerate our customers' business growth.

**VALUES**  
*Guiding principles that inform how we interact with each other and the decisions we make*

COMMITTED  
COLLABORATIVE  
CARING  
COURAGEOUS  
CURIOUS  
COMPETITIVE

## Addressing Global Issues with Sustainable Solutions

### Global Challenges



#### Greenhouse Gas Emissions

Buildings account for **39%** of global emissions<sup>1</sup>



#### Food Waste

**66%** of food waste results from spoilage and production losses, accounting for **8%** of global greenhouse gas emissions<sup>2</sup>



#### Packaging Waste

Single-use plastics represent nearly **50%** of global plastic waste<sup>3</sup>



#### Income Inequality

In the United States, the top **10% of earners** receive nearly **50%** of total income, highlighting significant income inequality<sup>4</sup>

### CNG Contributions to Solutions

#### SPECIALTY FILMS PORTFOLIO

##### Extending Shelf Life

Flexible packaging increases the shelf life of packaged food products by approximately **30–50%**, significantly reducing spoilage and landfill waste<sup>5</sup>

##### Reducing Material Use

Flexible packaging requires approximately **30–40%** less material compared to rigid packaging solutions<sup>6</sup>

##### Energy Efficiency and Renewable Energy

Flexible packaging consumes up to **70%** less energy in manufacturing and transportation compared to rigid packaging, with 16% of CNG energy sourced from renewable resources<sup>7</sup>

#### CNG COMMUNITY INVESTMENTS

##### Employee Ownership Program

Empowers **100%** of our employees with an equity stake in the business, promoting shared success and income equality

##### Community Giving

Donated approximately **\$525,000** to local communities, including nearly **\$400,000** through Community Giving Funds

1 International Energy Agency. (2019). 2019 Global Status Report for Buildings and Construction. <https://www.iea.org/reports/2019-global-status-report-for-buildings-and-construction>

2 Food and Agriculture Organization of the United Nations. (2013). Food Wastage Footprint: Impacts on Natural Resources. <http://www.fao.org/3/i3347e/i3347e.pdf>

3 United Nations Environment Programme. (2018). Single-use Plastics: A Roadmap for Sustainability. <https://www.unep.org/resources/report/single-use-plastics-roadmap-sustainability>

4 Congressional Budget Office. (2019). The Distribution of Household Income, 2016. <https://www.cbo.gov/publication/55941>

5 Based on CNG's internal research and industry data on specialty films' impact on shelf life.

6 Flexible Packaging Association. (2018). Flexible Packaging: Leading the Way in Packaging Innovation. <https://www.flexpack.org>

7 American Institute for Packaging and the Environment. (2019). Energy Consumption in Packaging Manufacturing. <https://www.ameripen.org>



## Our Four Purpose-Driven Pillars

To bring our Purpose, Vision, and Mission to life we have conceived our sustainability focus and objectives across four pillars:



### CUSTOMERS

We pursue our mission of providing best-in-class material science solutions, and deliver on our promise to help accelerate our customers' sustainable business growth.



### PLANET

From the design of our products to the operation of our facilities, we lead with sustainable solutions that help to lower greenhouse gas emissions and reduce waste.



### PEOPLE

Through ownership, we invest in and empower our people to fulfill our commitments and contribute to reducing the wealth gap.



### COMMUNITIES

Through our sustainable solutions, we help to extend shelf life and deliver fresh food all over the world. We invest in communities where we live and work through our Community Giving Funds.





## OUR BUSINESS

CNG is a specialty film manufacturer with expertise in material science and world-class manufacturing assets. We have the capabilities to design and produce custom-tailored films and advanced material solutions that meet the most demanding requirements for quality and performance across a wide variety of end-use applications. Our products and solutions form an integral part of the packaging materials used for food, personal care items, and medical equipment. They are also used as critical components in roofing, flooring, automotive products, and a broad range of manufactured goods. Our ability to solve problems and create films that conform to complex specifications makes us a trusted partner of choice and a one-stop shop for any company that requires high-quality film in their production and distribution processes.

Our portfolio of products encompasses:



**Sustainable films:** Our award-winning **GreenArrow™** portfolio of sustainable films consists of four product families: recycle-ready<sup>1</sup>, recycled content, compostable, and low carbon.



**Blown films:** Multilayer films, using top-quality polymers, are used primarily for consumer packaging in the fresh and packaged food, and healthcare industries. They are engineered for maximum strength, a high level of flexibility, less scrap material production, and higher productivity.

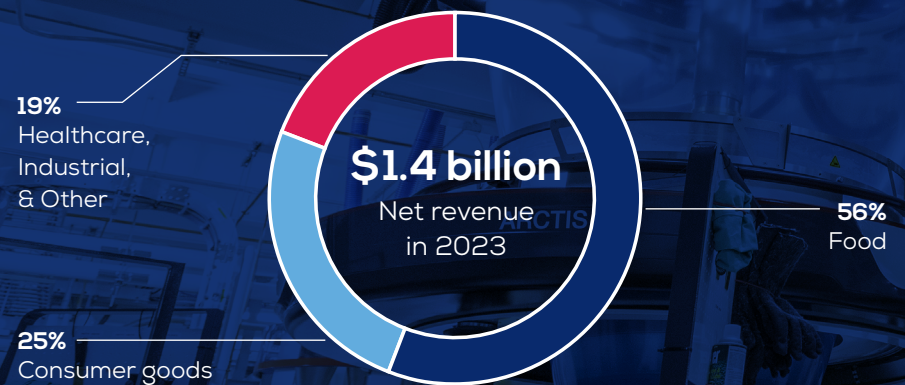


**Cast films:** Monolayer and co-extruded films are used in various applications, such as meat and cheese packaging, and hospital-grade PPE masks and gowns. They are also used in industries such as building and construction, agriculture, automotive parts, aerospace, and office products.

CNG's specialized high-quality films contribute to the safety of products in the following industries and product groups, among others:

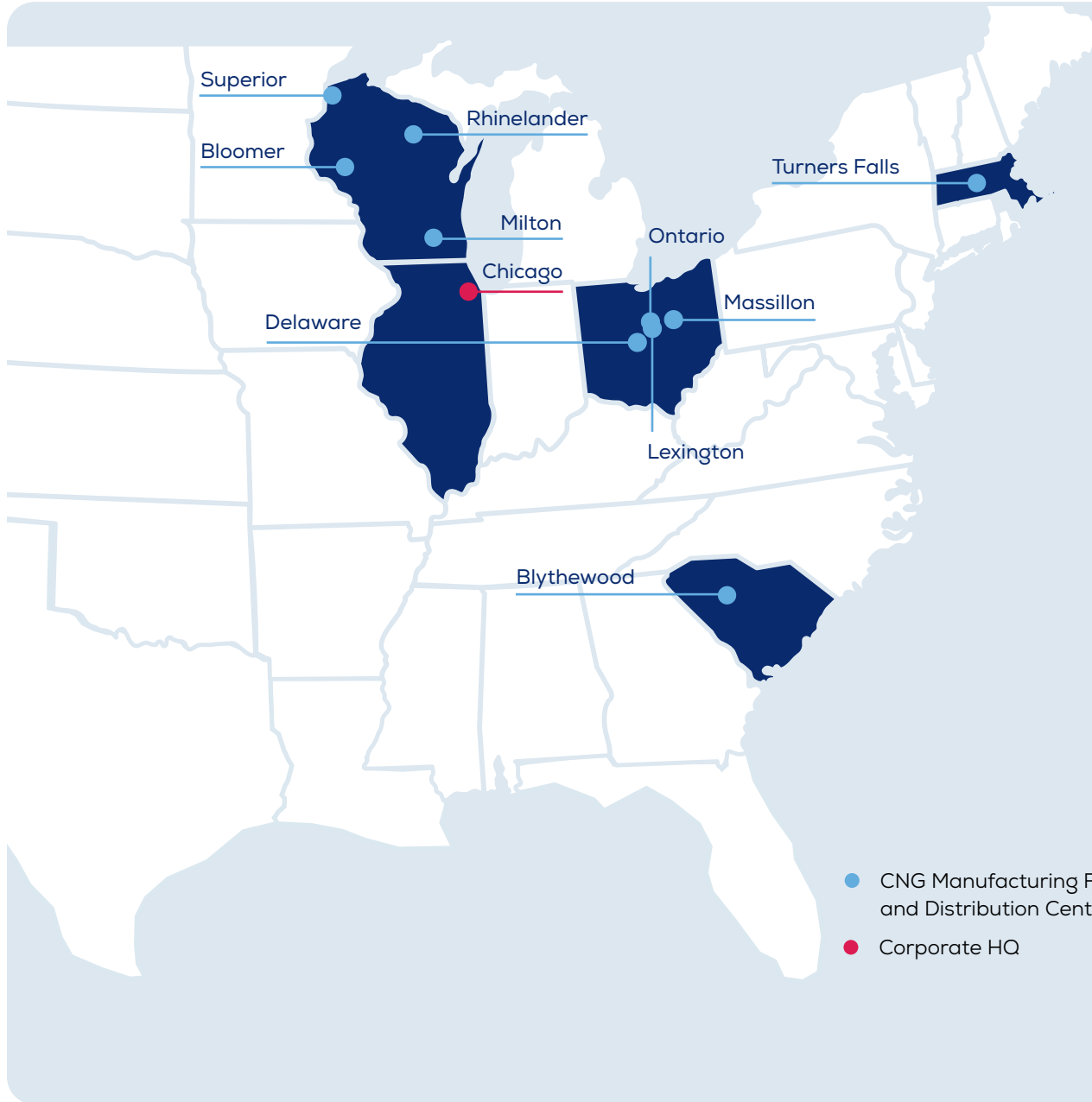
|                     |                                                                       |
|---------------------|-----------------------------------------------------------------------|
| <b>Food</b>         | Flexible packaging that extends the shelf life of perishable products |
| <b>E-commerce</b>   | Films that protect product integrity and support recyclability        |
| <b>Pet Care</b>     | Flexible packaging that extends shelf life                            |
| <b>Healthcare</b>   | Films for critical life-saving products                               |
| <b>Construction</b> | Protective and other films for roofing, floors and carpets            |
| <b>Agriculture</b>  | Films that keep crops healthy and improve yields                      |
| <b>Automotive</b>   | Films that enhance energy efficiency and safety                       |

### 2023 Market Segments



<sup>1</sup> The "recycle-ready" metric measures packaging designed for recyclability with current technology, following standards from the Association of Plastics Recyclers (APR), Circular Economy for Flexible Packaging (CEFLEX), and similar organizations. This metric does not reflect the actual amount of flexible packaging that is recycled.





## OUR MANUFACTURING FOOTPRINT

Known for our world-class manufacturing capabilities and material science solutions, CNG operates 16 state-of-the-art production facilities across the U.S. at 10 locations, three distribution centers, and 15 warehouses. Our strategically located plants ensure that we are able to meet the needs and expectations of our customers across North America.

We employ over 2,200 people across our facilities. We continue to focus on talent, innovation, and capacity. Our end-markets are resilient, sizable, and growing and our partnerships are strong. Our footprint and scale, in tandem with CNG's expertise in innovating and developing material science solutions, enable us to be a reliable, agile, and resilient supplier to our customers.

Our corporate headquarters is located in Chicago, IL.

## OUR SUSTAINABILITY STRATEGY

We are dedicated to supporting the transition to a circular economy and a more sustainable, low-carbon future. To achieve this, we are working to reduce the carbon footprint of our operations, and – through our innovative products – are supporting our customers in achieving their sustainability goals.

- Within our **operations**:
  - Prioritizing the well-being of our own people and fostering a sense of belonging at CNG;
  - Establishing ambitious greenhouse gas emissions reduction targets in line with the Paris Climate Agreement and the Science Based Targets initiative;
  - Working towards Zero Waste to Landfill.
- With **our customers**:
  - Designing for recyclability and reducing virgin plastic usage through lightweighting materials and using recycled content;
  - Designing with bio-based, compostable, and low-carbon materials;
  - Helping to reduce food waste by extending the shelf life of packaged goods.

Our sustainability framework and strategies are aligned with the [Science Based Targets initiative \(SBTi\)](#), the [United Nations Sustainable Development Goals \(UNSDGs\)](#), the [CDP](#), and the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#).

## CNG’s Sustainability Framework

|                           | Objective                                                                                                         | Strategies and priorities                                                                                                                                                                                                                                             | Alignment with the UN Sustainable Development Goals |
|---------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| <p><b>CUSTOMERS</b></p>   | Design and develop industry-leading film products that help drive our customers’ sustainable packaging objectives | <ul style="list-style-type: none"> <li>• GreenArrow™ sustainable films                             <ul style="list-style-type: none"> <li>• Recycle-ready<sup>1</sup></li> <li>• Recycled Content</li> <li>• Compostable</li> <li>• Low Carbon</li> </ul> </li> </ul> |                                                     |
| <p><b>PLANET</b></p>      | Reduce our impact on the environment and minimize waste across our operations                                     | <ul style="list-style-type: none"> <li>• Net-Zero Science-Based Targets</li> <li>• Energy Efficiency and Renewable Energy</li> <li>• Zero Waste to Landfill</li> <li>• Circularity</li> </ul>                                                                         |                                                     |
| <p><b>PEOPLE</b></p>      | Lead our employees, communities and industry to be stewards of environmental awareness                            | <ul style="list-style-type: none"> <li>• Employee Ownership and Engagement</li> <li>• Employee Safety and Well-Being</li> <li>• Diversity, Equity, Inclusion, and Belonging (DEIB)</li> <li>• CNG and Vendor Codes of Conduct</li> </ul>                              |                                                     |
| <p><b>COMMUNITIES</b></p> | Invest in the communities where we live and work through our Community Giving Fund program                        | <ul style="list-style-type: none"> <li>• Restore and Enhance the Environment</li> <li>• Advance Education, Career and Workforce Training</li> <li>• Uplift Underserved Populations</li> </ul>                                                                         |                                                     |

<sup>1</sup> The “recycle-ready” metric measures packaging designed for recyclability with current technology, following standards from the Association of Plastics Recyclers (APR), Circular Economy for Flexible Packaging (CEFLEX), and similar organizations. This metric does not reflect the actual amount of flexible packaging that is recycled.



## Science Based Greenhouse Gas Emissions Reduction Targets

In August 2023 the Science Based Target initiative (SBTi) validated CNGs near-term and net zero greenhouse gas (GHG) emissions reduction objectives, which are:

|                               | Scope 1 & 2                                                      | Scope 3                                                                         |
|-------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>Near-Term Targets 2030</b> | ↓ Reduce absolute Scope 1 and 2 GHG emissions <b>42%</b> by 2030 | ↓ Reduce Scope 3 GHG emissions <b>52%</b> per kilogram of film produced by 2030 |
| <b>Net-Zero Targets 2050</b>  | ↓ Reduce absolute Scope 1 and 2 GHG emissions <b>90%</b> by 2050 | ↓ Reduce Scope 3 GHG emissions <b>97%</b> per kilogram of film produced by 2050 |



These climate targets, established from a 2021 baseline, are validated and align with the SBTi criteria for a 1.5°C trajectory.




## Sustainability Strategy Integration

CNG’s sustainability and business strategies are designed to be fully aligned and integrated. Sustainable products comprise a core component of our business growth strategy. Our Purpose, Vision, and Mission underscore our company’s goal of providing sustainable materials and solutions to our customers. Our enterprise risk management process incorporates elements of climate risk and other sustainability-related factors. Our sustainability strategy is designed to be aligned with external climate reporting frameworks such as the CDP, and the Task Force on Climate-related Financial Disclosures (TCFD). We benchmark our performance to peer companies through annual third-party assessments such as EcoVadis. CNG is a signatory of the [United Nations Global Compact](#).

## Sustainability Priorities

Our first materiality assessment, conducted in 2023, included interviews with our company’s senior leaders, managers, investors, and independent members of our Board of Directors. The interview topics included: the main drivers of CNG’s engagement with sustainability; strategic challenges; priority sustainability topics for CNG (risks, opportunities, and impacts); enhancing sustainability in CNG’s strategies and activities; and initiatives and commitments that would be most impactful for sustainability.

The materiality assessment confirmed the following **highly material topics**:

|                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                |                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Customers</b></p> <ul style="list-style-type: none"> <li>• Sustainable product innovation</li> <li>• Customer first service model</li> <li>• Product quality, safety, and consistency</li> </ul> |  <p><b>Planet</b></p> <ul style="list-style-type: none"> <li>• Decarbonization</li> </ul> |  <p><b>People</b></p> <ul style="list-style-type: none"> <li>• Employee health, safety, and well-being</li> <li>• Employee ownership and engagement</li> </ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# OUR CUSTOMERS

Our innovative specialty film and material science solutions add value to packaging solutions for brands and consumers.

We strive to provide our customers – leading companies in the food, consumer goods, industrial, and healthcare markets – with cutting-edge specialty film solutions to help them achieve their own sustainability objectives.

---

|                                             |           |
|---------------------------------------------|-----------|
| <b>Product Innovation</b>                   | <b>18</b> |
| <b>Scaling Impact Through Collaboration</b> | <b>19</b> |





### Serving Customers Across Diverse Markets

Our innovative specialty film and material science solutions add value to packaging solutions for brands and consumers across the food, consumer goods, industrial, and healthcare markets. For example, in the food industry, our films offer convenience, such as ease of opening, and functionality, like extending product freshness to reduce food waste. Our films can improve packaging aesthetics and brand recognition, reduce product weight to lower transportation costs and carbon footprint, and enhance the recyclability and circularity of packaging. They are an integral part of the packaging used for food, personal care items and medical equipment, and a critical component in roofing, flooring, automotive, and more.

### Collaborating to Lower Greenhouse Gas Emissions

We actively engage with our customers on climate-related issues. Specifically, CNG organizes and manages information and education events to inform customers about the potential climate-related impacts of our products. CNG has engaged with key customers to support their Scope 3 emissions reduction programs. Please see the Climate section of this report for more on the breakdown of CNG's overall carbon footprint.



# PRODUCT INNOVATION

CNG has achieved a leadership position in the U.S. specialty film industry by continually investing in the most advanced material science-oriented technologies and by continuously expanding our manufacturing capabilities. Consistently anticipating evolving packaging and operational trends has also enabled us to be a partner of choice for leading U.S. consumer goods, pharmaceutical, agricultural, and industrial companies.

Through innovation, we aim to support the sustainability objectives of our customers by developing solutions that are recycle-ready,<sup>1</sup> compostable, low-carbon, and/or that contain recycled content. We deliver high-performance solutions for our customers by leveraging our materials, capabilities, and expertise, responding to their changing needs in real time.

In 2023, 86% of our specialty films portfolio was recycle-ready, where infrastructure supported it, showcasing our commitment to sustainable film solutions. Our GreenArrow™ sustainable portfolio

films saw a volume sales increase of over 100%, while our sales of films containing post-consumer recycled (PCR) materials grew by an impressive 400%. We also advanced compostable packaging solutions and low-carbon alternatives through strategic industry collaborations and partnerships.

This growth in demand for our innovative sustainable films and solutions fuels our commitment to further product innovation as we continue to meet the accelerating need for sustainable materials among our customers.

## CASE STUDY

### Advancing Sustainable Snack Packaging



In 2023, CNG partnered with PepsiCo's Frito-Lay to develop next-generation compostable snack packaging, featured at major sports and music events.

Leveraging CNG's GreenArrow™ product line, this packaging showcases the viability of compostable barrier films for snacks. GreenArrow™ films are expertly engineered with cutting-edge material science, driving sustainable packaging innovations by offering compostable solutions to tackle end-of-life challenges.

*"Sustainability is not only ingrained in our daily operations, but also in our long-term business strategy. We are committed to investing in sustainable product development and in the advancement of circularity and reduction of GHG emissions. By adopting a circular approach to the materials, products, and services we offer, we are reducing our environmental impact while also ensuring we meet the sustainability targets of our customers and society at-large. We are confident that we are contributing to a more sustainable future for all."*

**John Garnett**

Senior Vice President of Sustainability, Technical, and Innovation



<sup>1</sup> The "recycle-ready" metric measures packaging designed for recyclability with current technology, following standards from the Association of Plastics Recyclers (APR), Circular Economy for Flexible Packaging (CEFLEX), and similar organizations. This metric does not reflect the actual amount of flexible packaging that is recycled.



# SCALING IMPACT THROUGH COLLABORATION

## PARTNERING WITH OUR CUSTOMERS TO ACHIEVE THEIR SUSTAINABILITY GOALS

### GreenArrow™ Sustainable Films

To support our customers in achieving their sustainability goals, we developed the GreenArrow™ family of sustainable films, focused on four sustainable product areas: **recycle-ready, recycled content, compostable, and low carbon**. This broad mix of products is intended to help customers meet their sustainability objectives, such as developing recycle-ready products, using recycled materials in their products, or reducing the carbon footprint of their products. We partner with leading industrial companies to develop specialty films that incorporate the required properties for specific use cases. We collaborate with a broad range of consumer goods, biomaterial, and other packaging companies on innovative sustainable solutions.



### CNG Circular Economy Investment

In 2023, CNG invested in the Closed Loop Partners' Circular Plastics Fund to support the development of plastics recycling and recovery infrastructure in North America. Through this investment CNG is helping to meet the growing need to advance the recycling of rigid and flexible polyethylene and polypropylene plastics in the U.S. and Canada.

## RECYCLE-READY



Designing films for recyclability, including PE-based print webs and recycle-ready barrier films

CNG leverages innovation to meet the growing demand for recycle-ready<sup>1</sup> films, particularly in the food and consumer packaged goods sectors. We're actively expanding our production and sales of recycle-ready films, while also collaborating with downstream partners to develop sustainable laminates and packaging solutions.

### Machine Direction Orientation Technology

CNG leverages Machine Direction Orientation (MDO) technology to create specialty films designed for recyclability that maintain or improve on the performance of non-recyclable solutions. Our MDO print webs encompass a range of physical and optical properties and are How2Recycle compliant, making them a sustainable alternative to non-recyclable print webs. Additionally, the optimized properties enabled by the MDO process - such as films that are lighter weight and thinner than those produced by standard processes - lead to stronger, tougher, and more heat-resistant films, significantly enhancing their performance.

In 2023, CNG grew MDO film volume sales by 50% year-on-year, adding several new commercial customers using this technology for their recycle-ready packaging formats.

## Customer Highlights

### AMERICAN PACKAGING CORPORATION: COLD SEAL FILM

Flexible film converter [American Packaging Corporation](#), adhesive supplier [Bostik](#), Inc. and CNG successfully manufactured a polyethylene (PE) cold seal film structure that passed the Association of Plastic Recyclers (APR)'s Critical Guidance Testing for PE Film and Plastic Packaging and earned How2Recycle® Store Drop-off label approval. Through this collaboration, we ensured that brand owner packaging meets standards for recyclability and does not negatively impact the recycling stream.

### SONOCO: RECYCLE-READY BARRIER FILMS

CNG received the Strategic Partnership Award from Sonoco, a leading integrated packaging company, for our joint work to develop groundbreaking solutions using recyclable materials for barrier films, setting new standards within the flexible packaging industry.



### Commitment to Certification

CNG partners with the How2Recycle (H2R) Label, a standardized system established by the [Sustainable Packaging Coalition \(SPC\)](#) that communicates clear recycling instructions based on national data. H2R has granted CNG over 250 pre-qualification letters for film structures meeting [Association of Plastic Recyclers \(APR\)](#) guidelines, simplifying certification for customers for H2R logo approval. With these films spanning various applications, CNG is poised to support circularity in flexible packaging.



<sup>1</sup> The "recycle-ready" metric measures packaging designed for recyclability with current technology, following standards from the Association of Plastic Recyclers (APR), Circular Economy for Flexible Packaging (CEFLEX), and similar organizations. This metric does not reflect the actual amount of flexible packaging that is recycled.



## RECYCLED CONTENT



Designing films with certified recycled content, including post-consumer recycled (PCR) and advanced-recycled (AR) materials.

The purpose for using recycled materials in the production of specialty films is to reduce the amount of virgin materials used, and to minimize waste from existing plastics by reusing them at their end of life. For relevant certifications, refer to [Commitment to Certification](#) on the next page of this report.

### Recycled Resin Partnerships

CNG partners with a range of post-consumer recycled (PCR) resin suppliers to ensure we have the highest quality, most consistent certified PCR materials for use across our wide range of specialty film applications. This includes Food and Drug Administration (FDA) compliant polyethylene (PE) PCR resins for food packaging applications, as well as a range of conventional PCR materials. A similar product range is available for advanced recycled materials.

### Customer highlights

#### CLEARWATER PAPER CORPORATION: PRIVATE LABEL TOWEL & TISSUE OVERWRAP

CNG and Clearwater Paper Corporation collaborated on an initiative to include advanced recycled PE in Clearwater Paper's private label tissue packaging offerings. Advanced recycling is a process through which waste plastics are converted into recycled polymers that perform like virgin materials.

## SPECIALTY CHEMICAL STRETCH HOOD FILM

CNG's Titanium 5P™ Stretch Hood film offers a certified PCR-containing solution that maintains similar or better performance than traditional films. A lifecycle assessment (LCA) was carried out on Titanium 5P™ on behalf of a CNG customer with a leading position in the global specialty chemicals industry. The LCA showed that adoption of CNG's stretch hooder program across all current consumers of stretch hood film in North America would reduce fossil fuels consumption by 343 thousand barrels of oil annually.

### CASE STUDY

#### Addressing Plastic Waste in Agriculture with Solar Shrink®



Solar Shrink® is the next generation of mulch film, designed and manufactured to improve growing conditions and crop yield for row crop growers of fruits and vegetables. The advantages of Solar Shrink® include: 1) a downgauged and stronger film; 2) a film that shrinks on the mulch bed when exposed to sunlight, improving its resilience and durability when exposed to wind and water, and enabling crops to retain more nutrients; and 3) a film that can be removed by machines, optimizing cost efficiency for growers. Solar Shrink® is recycle-ready, where recycling infrastructure exists.

North American agriculture faces a plastic waste challenge, with the food-producing agricultural sector discarding an estimated 550 million pounds of plastic annually. CNG set out to address this problem through a mulch film solution.

The contribution of Solar Shrink® to the efficiency and viability of producing nutritional fresh produce sustainably at scale, able to reach more end users with healthy products, is another illustration of how CNG's material science-based solutions are enhancing lives.

\* Solar Shrink® is produced using advanced film production equipment and resin technology. It does not utilize solar energy in its manufacturing process, nor is it designed for solar power applications.

## COMPOSTABLE



Designing high-performance films with compostable materials.

The GreenArrow™ family of sustainable films has also developed part of its offer to biodegrade in the same way that organic materials do, supporting an end-of-life without a negative impact on the environment.

### Partner highlights

#### TIPA COMPOSTABLE FILMS

In September 2023, CNG announced a strategic partnership to develop compostable biomaterials with Tipa, a compostable packaging solutions company that works to achieve the same end-of-life for flexible packaging as organic manner while maintaining standards of durability, transparency, barrier, sealability, printability, and shelf life. CNG produces films from Tipa's proprietary compostable materials for food, consumer goods, healthcare, and industrial markets.

#### FRITO LAY: COMPOSTABLE SNACK PACKAGING

In 2023, CNG collaborated with PepsiCo's Frito-Lay to create industrially compostable snack packaging, featured at major sports and music events. Using CNG's GreenArrow™ films, this packaging provides sustainable barrier solutions with advanced compostable materials to address end-of-life challenges.

## LOW CARBON



Designing films with a reduced carbon footprint.

The carbon footprint of packaged goods and packaging is an emerging sustainability attribute. CNG is working with innovative partners on methods to reduce the carbon footprint of flexible packaging.

### Partner highlights

CNG partnered with packaging innovator, Rudholm Group and sustainable biotechnology company, Newlight Technologies to introduce a new, more sustainable poly mailer, or poly bag, for the e-commerce packaging market. This poly mailer incorporates Newlight AirCarbon, an innovative biomaterial derived from greenhouse gas that can substantially reduce its carbon footprint while maintaining performance. The poly bags produced combine the durability of polyethylene (PE) with the decarbonization benefits of AirCarbon.



### Commitment to Certification



**Post-Consumer Recycle:** The [GreenCircle Certification](#) System confirms that CNG's recycled content solutions, ranging from 5% to 60% post-consumer recycled content, meet all necessary qualifications through independent third-party evaluation. In 2023, CNG received 21 GreenCircle certifications.



**Advanced Recycle:** The [ISCC PLUS](#) standard focuses on the traceability of raw materials within the supply chain and includes advanced recycle and circular raw materials.

The ISCC PLUS standard enables CNG to certify film solutions that use advanced recycled resins. CNG received an ISCC PLUS Certificate for products produced at three facilities in 2023, with additional certifications expected in 2024.



**Compostable:** [Biodegradable Products Institute \(BPI\)](#) is recognized as the premier

third-party verifier of American Society for Testing and Materials (ASTM) standards for compostable products in North America. CNG is an active member of BPI and is developing several specialty films to be BPI-Certified as industrially compostable. Additionally, CNG is pursuing 'OK compost HOME' certification through TÜV Austria for several compostable specialty films.



# OUR PLANET

CNG enhances lives by protecting the planet. From the way we manage our facilities to the way we design our products, we lead with material science solutions that lower greenhouse gas emissions and reduce waste.

---

|                   |           |
|-------------------|-----------|
| <b>Climate</b>    | <b>24</b> |
| <b>Operations</b> | <b>28</b> |



# CLIMATE

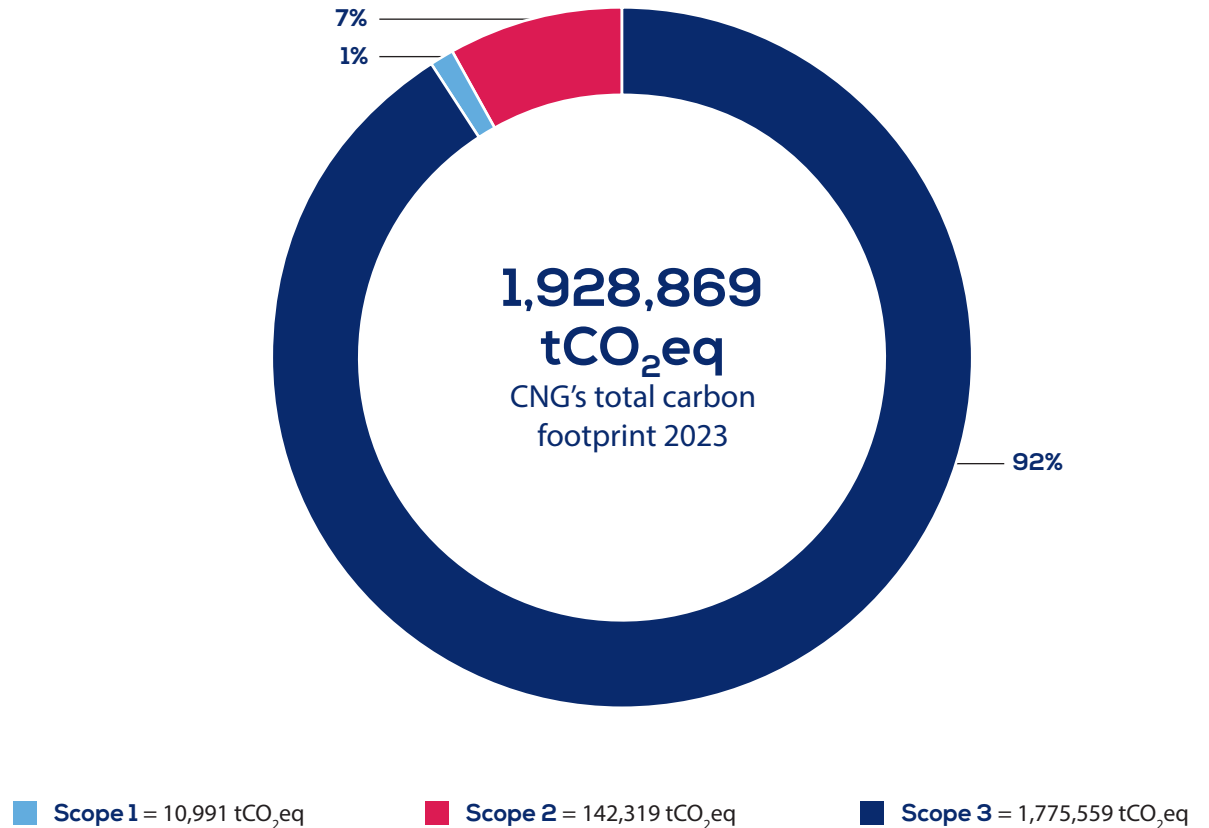
## OUR 2023 CARBON FOOTPRINT

Our carbon footprint is measured by a leading environmental sustainability consultancy and is based on the Greenhouse Gas Protocol. The categories established by the Greenhouse Gas Protocol provide a wide scope to account for emissions along the value chain. The measurement of our carbon footprint covers Scopes 1, 2 and 3.

CNG's direct GHG emissions from manufacturing (Scope 1) and purchased energy (Scope 2) were <10% of total emissions. Indirect emissions from our upstream and downstream supply chain (Scope 3) were >90% of total.



## CNG's 2023 Carbon Footprint (tCO<sub>2</sub>eq)



Please visit [CNGinc.com](https://www.cnginc.com) for our AB 1305 disclosures.





CNG’s Scope 3 value chain emissions in 2023 were driven by purchased goods and services, representing 55% of Scope 3 emissions and 51% of the entire footprint. Upstream and downstream transportation and distribution represented 11% and 2% of Scope 3 emissions respectively.

CNG’s near-term Scope 3 science-based target commits to reducing the intensity of our products by 52% per kilogram of film produced by 2030. As purchased goods and services, and transportation collectively account for more than 65% of CNG’s Scope 3 emissions reducing them will be the key to achieving this target.

We are working to reduce the Scope 3 impact of purchased goods and services through partnerships with suppliers that will reduce the emissions of incoming resin, increase usage of PCR and other reduced-emissions raw materials, and grow our

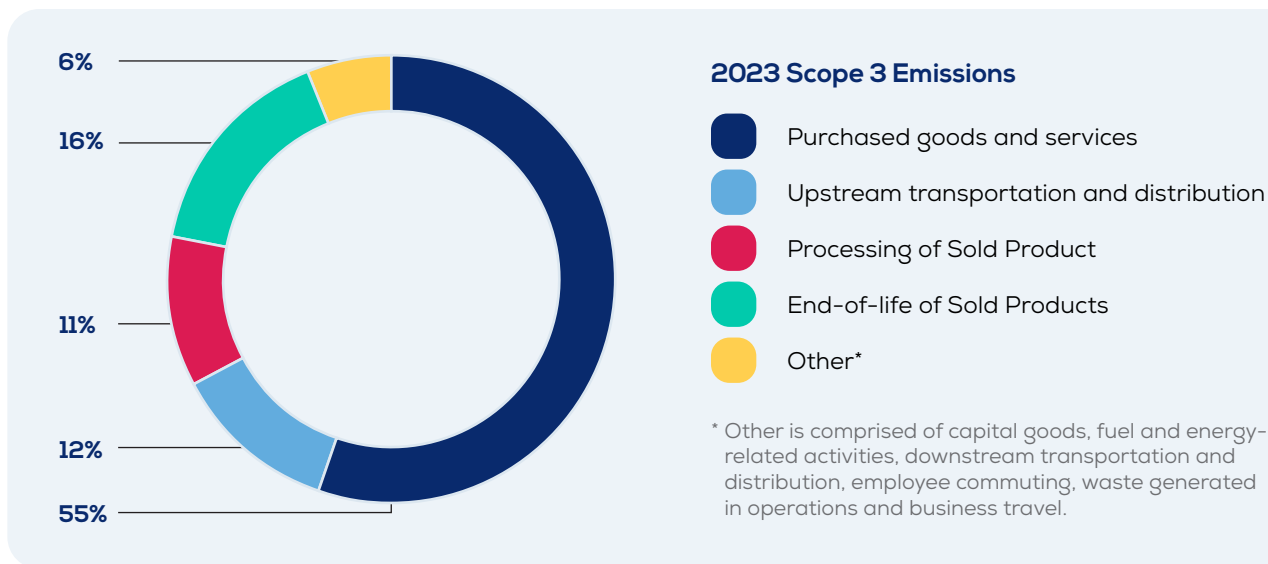
use of carbon-negative raw materials like Newlight Technologies’ AirCarbon.

To reduce the impact of transportation, we seek to maximize the use of rail transport for incoming resin and minimize less-than-truckload (LTL) shipments to customers. Across the industry, there are ongoing efforts to collect flexible packaging at end-of-life to minimize the environmental impact of these waste materials.

**The primary means for achieving this target reduction are to decrease the emissions of:**

- 1** purchased goods and services
- 2** upstream and downstream transportation

These two categories collectively account for **more than 65%** of CNG’s Scope 3 emissions.



## CNG'S SCIENCE-BASED TARGETS

As part of our commitment to contribute tangibly to mitigating global climate change, we have developed science-based targets aligned with the SBTi. These targets will ensure CNG is taking action to reduce emissions at a pace that is consistent with keeping global warming below 1.5 degrees Celsius, in line with the [Paris Climate Agreement](#). **In August 2023, SBTi validated our short- and long-term targets.**

## ENERGY USE

In 2023, 16% of CNG's energy needs were sourced from renewable energy—solar, wind, hydroelectric, and biomass—through grid connections. In addition, CNG acquired renewable energy credits (RECs) from wind power. CNG also invested in the Superior Community Solar Garden in Superior, Wisconsin, helping to advance a clean energy future with renewable, carbon-free power. We're dedicated to increasing the proportion of renewable energy in our operations by 2030 and are actively pursuing additional renewable projects to achieve this goal.

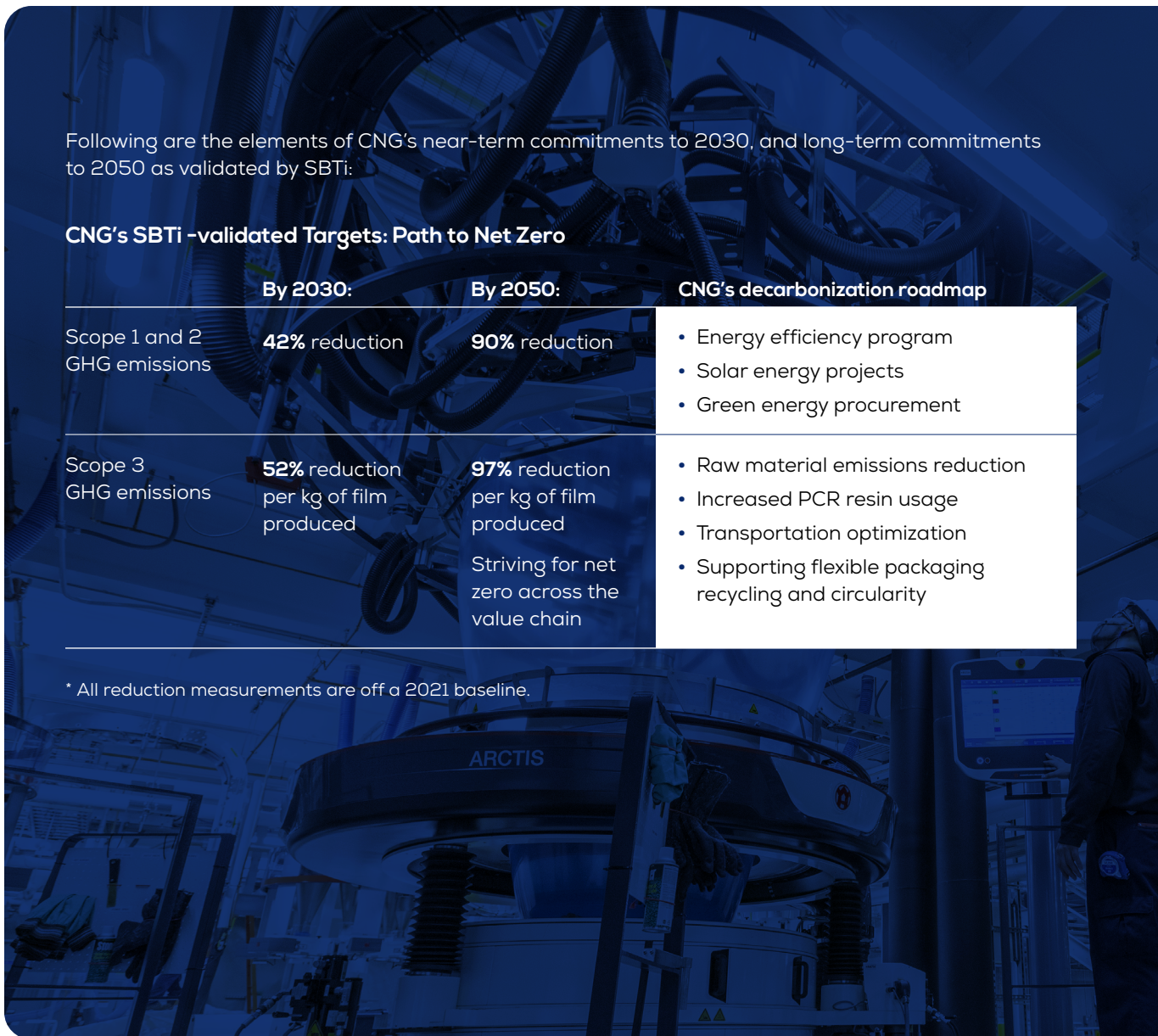


Following are the elements of CNG's near-term commitments to 2030, and long-term commitments to 2050 as validated by SBTi:

### CNG's SBTi -validated Targets: Path to Net Zero

|                             | By 2030:                                     | By 2050:                                                                                         | CNG's decarbonization roadmap                                                                                                                                                                                                       |
|-----------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope 1 and 2 GHG emissions | <b>42%</b> reduction                         | <b>90%</b> reduction                                                                             | <ul style="list-style-type: none"> <li>• Energy efficiency program</li> <li>• Solar energy projects</li> <li>• Green energy procurement</li> </ul>                                                                                  |
| Scope 3 GHG emissions       | <b>52%</b> reduction per kg of film produced | <b>97%</b> reduction per kg of film produced<br><br>Striving for net zero across the value chain | <ul style="list-style-type: none"> <li>• Raw material emissions reduction</li> <li>• Increased PCR resin usage</li> <li>• Transportation optimization</li> <li>• Supporting flexible packaging recycling and circularity</li> </ul> |

\* All reduction measurements are off a 2021 baseline.







## ACCELERATING SUSTAINABILITY IN OUR OPERATIONS

### Logistics and Transportation

We aim to continuously monitor and optimize CNG’s logistics operations for efficiency, environmental impact, and safety, with a focus on transportation, handling, and storage. Our distribution and transportation network is regularly evaluated and revised to efficiently serve our customers and stakeholders.

To enhance our customer service, CNG has expanded our dedicated trucking operations. As part of this expansion, we upgraded our commercial vehicle fleet to newer, more efficient trucks equipped with advanced emission systems and improved sustainability credentials. This expansion aligns with CNG’s commitment to sustainable practices and reducing our environmental footprint.

#### CASE STUDY

#### Transforming Waste through Innovation

An ongoing issue in our industry and for our customers is how to recycle or transform plastic films at the end of their useful life for minimal environmental impact. Across our facilities, we leverage post-industrial recycling (PIR) assets to reprocess internal scrap and reduce waste in our operations. By repurposing waste, CNG reduces waste going into landfills as well as its need to purchase new raw materials.

To meet the growing demand from customers for sustainable solutions, we also partner with post-consumer recycled (PCR) plastic suppliers who clean and reprocess used plastic materials. As our company continues to expand its capabilities, manufacturing footprint, and partnerships, we will continue to leverage the transformative power of technology and purpose-driven business practices in shaping a more sustainable future.

#### Collecting our Suppliers’ Climate-Related Data

We collect data at least annually from the majority of our suppliers, representing more than 80% of our direct procurement spend. In 2023, purchased goods and services accounted for 55% of CNG’s Scope 3 emissions, underscoring the weight of the upstream portion of our value chain in our company’s overall carbon footprint.

Our methodology for gathering supplier data entails establishing a baseline built on the data collected from our top key suppliers, followed by the submission of a Supplier Sustainability Survey to the rest of our suppliers. We will then analyze the risk factors of each supplier, and work with those who require our assistance to bring them up to our standard. We plan to request sustainability and climate-related metrics as part of supplier requirements and purchase orders to ensure that our suppliers and CNG are working toward common greenhouse gas emission reduction goals.

# OPERATIONS

CNG direct operations account for a small portion of our overall environmental impact. Nevertheless, we constantly work to optimize the resources we use and reduce the greenhouse gas emissions generated across our production facilities. The primary focus of the sustainability-related efforts in our operations is on energy efficiency, waste reduction, and logistics.

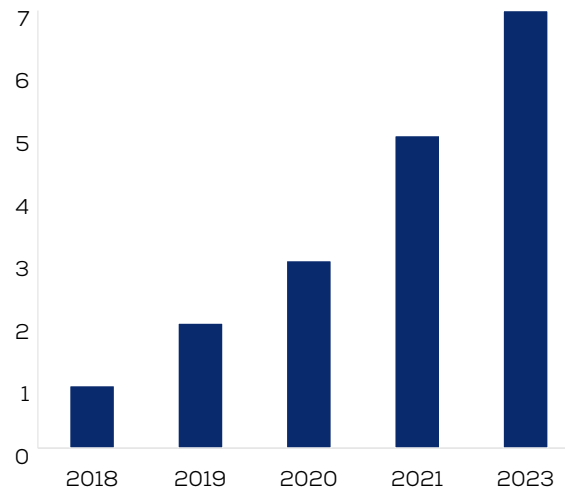


## ZERO WASTE TO LANDFILL COMMITMENT

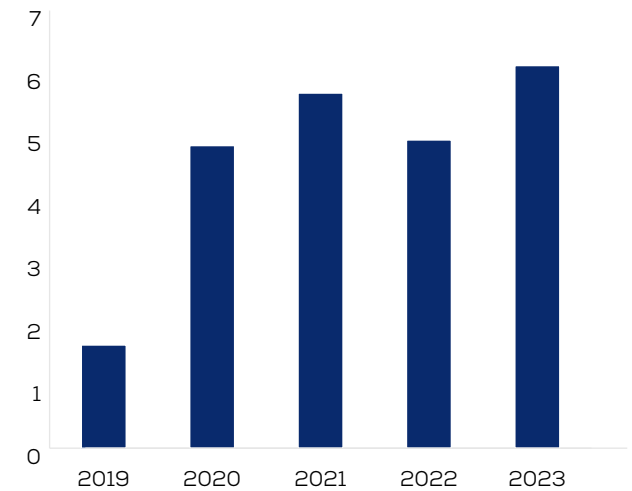
CNG is committed to eliminating waste to landfill across our production facilities. We are addressing waste at our 16 state-of-the-art manufacturing facilities where sustainability initiatives – such as recycling – successfully divert millions of pounds of waste from landfills each year. This includes investments in recycling machinery and equipment at existing and future facilities.

## ZERO WASTE TO LANDFILL PROGRESS

CNG Zero Waste to Landfill Facilities



Millions of Pounds of Waste Diverted from Landfills



Our Landfill Diversion Initiative, which we have been tracking since a baseline year of 2019, seeks to achieve zero waste to landfill at all CNG facilities by year-end 2025. This requires strong partnerships with waste management companies able to assist with unique landfill diversion opportunities and capable of handling hard-to-recycle materials. With the help of our partners, in 2023, CNG diverted a total of 6.1 million pounds from landfills across all our facilities, a 25% increase compared to 2022.

## Supporting our Customers in their Zero Waste to Landfill Strategies

Through innovation, which is a constant at CNG, we also actively provide solutions to our customers so they can make progress on their own zero waste to landfill goals. For a discussion of our responsible packaging innovation, see [Our Customers – Product Innovation](#) in this report.



# OUR PEOPLE

CNG is a people-centered company. Our 2,200+ employees are partners in carrying out our vision and strategies, and in accomplishing the objectives we establish to meet and exceed the expectations of all our stakeholders.

Our purpose of enhancing lives begins with our own people. The financial well-being, health, safety, and sense of belonging of CNG's employees drive the priorities of our human resources philosophy and activities.

|                                                      |           |
|------------------------------------------------------|-----------|
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| <b>Employee Ownership Program</b>                    | <b>31</b> |
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| <b>Diversity, Equity, Inclusion, and Belonging</b>   | <b>34</b> |
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# EMPLOYEE SAFETY

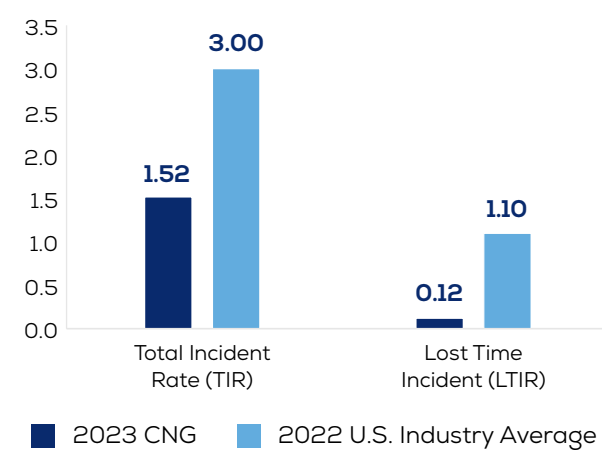
We continue to foster a world-class safety culture through awareness campaigns and training programs focused on accident prevention.

## 2023 SAFETY HIGHLIGHTS

### Environmental Health and Safety

#### Incident Rate

CNG rates versus U.S. Industry Average



Industry average data is based on the [Bureau of Labor Statistics \(BLS\)](#) Injuries, Illnesses, and Fatalities (IIF) program, which provides comprehensive information on workplace injuries and illnesses. This data is collected and reported annually through the Survey of Occupational Injuries and Illnesses (SOII) and the Census of Fatal Occupational Injuries (CFOI).

In 2023, the lost time incident rate was reduced by 65% compared to 2022, and continued to out-perform the U.S. industry average, underscoring a significantly safer work environment at CNG facilities. Our total incident rate (TIR) increased from the 1.09 level we recorded in 2022, but continues to significantly outperform industry standards, pointing to the success of the safety culture we have instilled at CNG. We are emphasizing our culture of safety as a priority across our operations through increased hazard reporting, mitigation, and safety training for all new employees.

We continued to conduct monthly Safety Audit for Everyone (S.A.F.E. Audit) in 2023, consistently exceeding our targets. During the year we also conducted noise and air monitoring to ensure occupational safety for employees, with results that were within standard safety ranges.

We standardized personal protective equipment (PPE) with hearing protection across the company. Weekly Toolbox Talks were established during the year to systematize discussions around safety with our employees.

## 2023 SAFETY TRAINING

Our robust safety training program and activities continued in 2023:

- Supervisors, safety team members, and managers at our facilities received 10 hours of OSHA training
- Authorized Lockout Tagout (LOTO) training was conducted at our plants
- Specialized training was provided to the Machine Safeguarding team at our Milton, WI facility
- First responder training to our employees was provided
- Monthly safety training was conducted, provided by an external specialized firm



# EMPLOYEE OWNERSHIP PROGRAM

As a component of our commitment to the financial well-being of our workers, CNG’s Employee Ownership Program was launched in 2021. The program exemplifies and embodies CNG’s commitment to creating a better world. It provides every CNG employee with an equity stake in the company from their first day on the job, affording them the opportunity to benefit financially from the value they help create for the business. Our Employee Ownership Program aligns individual and company goals to foster a culture of shared success and provide significant financial rewards.

## OUR UNIQUE APPROACH

Upon joining CNG, every employee receives a personal grant of Ownership Shares. As the company meets its performance milestones, the value of the shares appreciates, directly benefiting all our employees. No investment is required from employees other than hard work. Biannual updates on the valuation of our share price keep employee owners informed, illustrating to them the tangible impact of their contribution to value creation.

The CNG Employee Ownership Program encourages our colleagues to think and act like owners. It aims to align personal and business success and provides concrete incentives for everyone to bring their A-game to work each day. The goal is to achieve or surpass CNG’s operating and financial objectives for the benefit of all owner employees. The Employee Ownership Program is also broader than just sharing equity: it includes a heightened focus on employee engagement and employee voice throughout the organization. We believe that this inclusive approach not only enhances the lives of CNG’s people, but also fuels the growth of our business.

According to the [Federal Reserve’s 2022 Economic Well-being of U.S. Households survey](#), 37% of American workers cannot cover a \$400 emergency from savings. At CNG, for some employees the ability to build wealth through their job is an opportunity to address the generational poverty of their families. For the impact this program has had on CNG employees, expressed in their own words, please see this [video](#) about how ownership works.

### Providing for Financial Well-being through TrustPlus Coaching and the WeCare Fund

We are committed to helping address the nation’s income gap through our Employee Ownership Program. To go further in helping our team members achieve their financial goals, we have introduced **TrustPlus**, an employee benefit that provides free financial coaching.

We have also instituted the **WeCare Fund** which provides tax-exempt grants of up to \$5,000 to employees facing financial hardship due to natural disasters, domestic abuse, and other unforeseen life-altering events.

*“We care deeply about our people, our business, and our planet. CNG’s Employee Ownership Program is a unique model that speaks to our people-centered purpose. Established in 2021, it grants our employees an equity stake in CNG from the first day they join us. This model cultivates engagement, retention, and loyalty by making our employees a tangible part of our success. Together, we achieve greatness, sharing in our collective rewards and driving positive change for a better world.”*

**Kathy Bolhous**  
Chairman and CEO



# ENGAGEMENT IMPACT: EMPLOYEE OWNERSHIP PROGRAM

## EMPLOYEE OWNERSHIP DRIVES ENGAGEMENT

To ascertain the correlation between our employee ownership program and the engagement of our team members, CNG conducts an annual survey comprised of 36 questions. The survey aims to assess employee understanding of and attitudes toward CNG’s strategic direction and senior leadership, overall management, key priorities and performance, culture of employee involvement and contribution to value creation, our company’s concern for employee well-being, and employees’ expectations of continuing to work at CNG.

The 2023 engagement survey results at CNG showed promising improvements. Notably, 60% of all managers reported feeling engaged, a 17% increase from the previous year. The survey also highlighted a significant rise in the ownership component, with a score of 4.00, up from 3.87 in 2022, reflecting a 0.13 point improvement. These positive changes underscore a strengthening commitment and enhanced involvement among our managerial staff and employees.

### CASE STUDY

#### Employee Owners in Action: The Moonshot Challenge



opportunities. Ideas range from small to big, with one employee owner developing a way to 3D-print an externally purchased gasket in-house, reducing its cost significantly.

The energy, support, and impact-driving creativity displayed by our colleagues through Moonshot is a firm testament to the engagement of our employee owners. The Moonshot Challenge and the owner mentality it fosters will help create more value across the company, driving CNG’s valuation higher to the benefit of employee owners and all stakeholders.

*“Getting involved in Moonshot let me use my passion for 3D printing, design, and engineering. I love engineering. When I had the opportunity to do it here at CNG, I took it.”*

**Damon Pope**

CNG employee owner and developer of an impactful cost-saving 3D printing solution

CNG’s management identified the opportunity to engage the company’s employee owners in its quest to operate more efficiently and capture incremental margin improvement opportunities across all company operations.

The “moonshot challenge” was thus launched, rallying all employee owners to collectively over time, find \$100 million in incremental margin-enhancing ideas. In the first year of the program, teams across the company identified nearly 60 innovative ideas for savings

*“Employee ownership means more than just a job; it’s a sense of pride and purpose. Knowing that I have a stake in the company’s success motivates me to work harder and smarter every day. It’s not just about earning a paycheck, but about building something together and sharing in the rewards of our collective efforts.”*

**Shelley Hickman**

Director of Culture and Employee Experience





## EMPLOYEE DIRECTED CAPITAL PROGRAM

CNG gives employee owners across the company a voice in some of the spending decisions we make. Our Employee Directed Capital Program enables employees to vote on improvements they would like to see at their location, from outdoor seating areas to ice cream machines. In 2023, we increased the investment in the Employee Direct Capital Program by 33%.

Employees also decide on funds allocated to community giving. Through our Community Giving Funds, each year our employees donate to employee-identified causes and organizations that revitalize the environment; advance education, career, and workforce training; and uplift underserved populations. In 2023, we invested approximately \$525,000 to local communities, including nearly \$400,000 through our Community Giving Funds.



# DIVERSITY, EQUITY, INCLUSION, AND BELONGING

As a people-centered company, CNG has a long-standing commitment to inclusion and belonging, culminating in our Employee Ownership Program which ensures equity for every employee of our company. We are also focused on addressing the inclusion of historically underrepresented groups among our workers.

We value the contribution of employees from diverse backgrounds, with a wealth of experiences and perspectives, recognizing their vital role in understanding, anticipating, and fulfilling the needs of our customer base. We believe that diversity in work teams is part of what drives our core value of curiosity and innovation.

CNG is committed to providing equal opportunity in all aspects of employment, regardless of race, color, sex, religion, national origin, age, disability, sexual orientation, gender identity, veteran status or any other basis prohibited by applicable laws. We are committed to hiring women at all levels of the organization and we are proud that both our Chairman and Chief Executive Officer and Chief Growth and Strategy Officer are women, particularly in light of the low levels of female representation in executive functions within the manufacturing sector.



## CNG RECEIVES RECOGNITION FOR PROMOTING WOMEN'S ECONOMIC DEVELOPMENT

In 2023, CNG and our Chairman and CEO, Kathy Bolhous, jointly received the Chicago Foundation's Outstanding Corporate Citizen Impact Award for dedication to women's economic development.

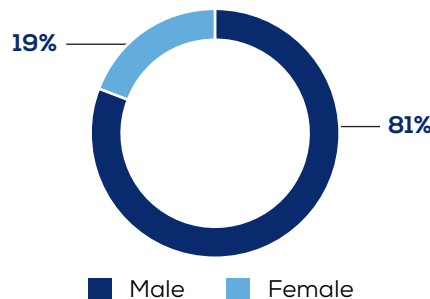
## YWCA AWARDS

Ms. Bolhous also received the 2023 Outstanding Leader in Business award from the YWCA Metropolitan Chicago, a prestigious recognition that celebrates impactful leaders in the community. This award highlights individuals who demonstrate exceptional leadership and a commitment to empowering women. CNG's dedication to women's economic empowerment has inspired countless individuals and fostered an inclusive environment that champions diversity and equity in the workplace. Her leadership exemplifies how effective advocacy can drive meaningful change in society.

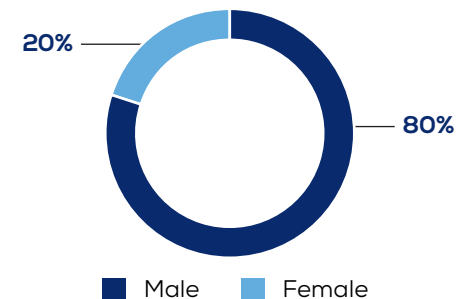
## OUR WORKFORCE

### Gender Composition of our Workforce - 2023

Gender Breakdown - All Employees



Mid-level Managers and Above





## EMPLOYEE RESOURCE GROUP - UNITED

As part of our effort to support diversity at CNG, we created the **UNITED** employee resource group (ERG). UNITED stands for Unity, Networking, Inclusiveness, Togetherness, Education, and Development. The mission of the UNITED networking group is to foster a culture of inclusiveness in manufacturing and provide opportunities for women to grow and develop professionally. UNITED has 230+ members and supports career development for women at all levels of our company. The ERG offers a platform for members to connect with coworkers, gain insights into CNG's business and functions, and benefit from the knowledge of both internal and external speakers. In 2023, UNITED held six events and hosted five guest speakers on topics that included discovering one's authentic voice, mastering the art of delegation, keys to emotional intelligence, authentic leadership, and celebrating International Women's Day.

Unity + Networking + Inclusiveness + Togetherness + Education + Development



### Our People, Our Purpose

We recently launched the "Our People, Our Purpose" [podcast](#), in which our Chairman and CEO, Kathy Bolhous, interviews our employee owners to amplify their personal stories, highlight diverse backgrounds, and strengthen connections at CNG as One Team. This podcast series is an integral component in creating a culture of connection in which every voice is heard, and every employee owner feels respected. We aim to empower our team members to make an impact and own their own success.

### Supplier Diversity

We are actively working to increase our spend with suppliers from historically underrepresented groups such as racial and/or ethnic minorities, women, and veterans. In 2023, we have established a dedicated program to grow our level of spending with diverse suppliers.



## EMPLOYEE RECRUITMENT AND DEVELOPMENT

To reinforce our recruitment initiatives, we continued to leverage our broad employment ecosystem. We remain committed to enhancing our talent attraction, diversity, and expertise through partnerships with local universities and organizations. We partner with around 35 organizations and institutions in the locations of our manufacturing sites to ensure an ongoing pool of prospective new hires.

We have a structured onboarding and training program, focused on skill-building for operators across our 16 manufacturing locations. Over the course of 2023, 19% of our employee-owners completed Operator 1 Onboarding, 23% completed Operator 1 Training, and 16% became Operator 2 Certified. In addition, 100% of employees completed our Code of Conduct training.

In 2023, we welcomed 39 talented interns across the organization, providing them with hands-on experience in a variety of functional areas. Interns gained hands-on experience in corporate roles such as human resources, accounting, and finance, as well as in technical roles like research and development, engineering, extrusion, quality, maintenance, and environmental, health, and safety.





## TRAINING

Employee training and development are an integral element of CNG's success. This applies to all personnel, including full-time, part-time, and temporary employees at our company. Specialized training is essential given the manufacturing processes required for our next generation films. Our best-in-class onboarding system, training and development activities encompass 1,300+ training modules for safety quality polices and operations, including:

- Comprehensive training program with immersive computer-based, in-person and hands-on learning
- CNG University, which builds employee technical expertise and provides paths toward increasing job responsibilities.

Operator training is an essential part of career advancement at CNG, with progression leading to higher-responsibility duties and salary increases. A minimum of six months of training is required before employees can operate film lines, ensuring they are well-prepared for their roles. During the year, we provided more than 16,000 hours of Operator 1 onboarding training, 20,500 hours of Operator 1 development training, and 29,000 hours of Operator 2 training to support our employees' growth and success. Achieving the Operator 2 Certified milestone is a significant career achievement at our company.

We also have a structured quality training program both for managers and trainers. These training programs include topics that focus on resource and production efficiency, technical training, and quality training.

In 2023, CNG invested significantly in the growth and development of our frontline leaders through two major training sessions, each attended by representatives from all locations. The first session, "Conversations that Matter" facilitated by Gallup, engaged 47% of our workforce. This training was designed to enhance the skills of frontline supervisors in areas such as meaningful conversations, quick connects, creating accountability, and leading team discussions. The second session, "The Art of Delegating," led by the Effective Communication Coach, engaged 43% of our employees. This session focused on improving supervisors' abilities in seeking alignment and support, negotiating tasks, activating team members, inspiring action plans, and selecting strategies that align with their skills and vision. These initiatives underscore our commitment to nurturing a skilled and proactive leadership team, equipping them with the tools to inspire and lead effectively across the organization.



CNG provides a technical training course each year called **Educate, Develop, Grow, and Empower (EDGE)**, that focuses on technical training for new

employees and customers. The program aims to deepen the technical and market knowledge and points of collaboration for the attendees. The course offers attendees a comprehensive foundation for designing, processing, and using flexible films. It is led by CNG technical experts and includes a tour of a CNG production facility. The course covers topics including polymer material science, blown and cast film extrusion, sustainable film design, and packaging trends.



### CNG Scholarship Award

At CNG, our commitment to enhancing lives extends to the families of our employees. We value education and take pride in fostering the growth and development of the next generation. The CNG Scholarship Award aims to recognize and support the academic journey of our employees' children as they complete their studies by granting qualifying high school graduates with scholarship awards of \$200.

# EMPLOYEE WELL-BEING

Enhancing the lives of our people begins with their well-being and health. We are committed to offering our employees the means to care for themselves and their families and are proud of the high levels of participation in the programs we make available to them.

## EMPLOYEE HEALTH

CNG offers a comprehensive set of benefits to our employees. These include medical insurance, a health savings account, dental insurance, vision insurance, life and accidental death and dismemberment insurance, and short and long-term disability insurance. Eligible employees are those who work at least 30 hours per week, with insurance programs covering their spouses and children to the age of 26 years.

In 2023, a majority of CNG team members participated in the health benefits offered to them as follows:



**74%**  
medical



**80%**  
dental



**68%**  
vision

## A FOCUS ON MENTAL HEALTH

At CNG, we strive to create a culture of sensitivity, understanding, and support within our community. We are committed to recognizing the importance of mental well-being and providing tangible support through our Employee Assistance Program (EAP). More than a program, our EAP is a lifeline offering confidential 24/7 support to our employees in times of need. The EAP provides a safe space for healing and growth through counseling, financial assistance, and guidance for personal challenges ranging from isolation to substance misuse. The services provided by EAP also extend to legal assistance, adoption support, and wellness programs among other forms of help. EAP services are available free of charge to all employees, their spouse or domestic partner, and their children.

Employees are invited to call a hotline, or visit a website. EAP services ensure that support is accessible to those who need it, whenever they need it. Various formats for counseling are offered including phone, video, online chatting, e-mail interactions, or in-person meetings.

In our company communication with our employees, we seek to destigmatize mental health challenges and to encourage those in need to seek help.





# OUR COMMUNITIES

CNG drives impact in the communities where we live and work through financial contributions and personal engagement.

|                               |           |
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| <b>Corporate Philanthropy</b> | <b>40</b> |
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| <b>Partner Ecosystem</b>      | <b>42</b> |



# CORPORATE PHILANTHROPY

## OUR PILLARS OF GIVING



### Sustainable Communities

CNG aims to support programs that protect our environment and promote community resiliency and revitalization.



### Workforce Development

CNG aims to support programs that focus on education, career readiness, mentoring, and workforce training for individuals in the flexible film industry.



### Social and Economic Equity

CNG aims to support programs that invest in communities and populations that are disenfranchised.



### Ohio State University Partnership

CNG is proud to partner with The Ohio State University (OSU) through a robust community partnership program designed to shape the future of STEM education and advanced manufacturing. In 2023, our initiative included a mentorship program that not only supports interns and co-ops but also allows students to team up with CNG R&D Engineers. This collaboration enhances their academic experience at OSU, providing valuable job shadowing opportunities in various fields they might enter after graduation. Our aim is to inspire these young innovators by equipping them with the

necessary training, experience, and skills to excel in high-growth industries, particularly those driven by sustainable innovation in material science. We are excited about our role in preparing the next generation for real-world challenges and careers, fostering a new wave of talent equipped to make significant contributions to their fields.



### Community Engagement through our 2023 Earth Week Challenge

In 2023, CNG employees achieved record-breaking results in our Earth Week Challenge. Across our locations, participants collected over 50,000 pieces of litter, surpassing our target of 25,000 by over 100% and exceeding the previous year's collection by 30%. A total of 204 colleagues took part in the Challenge, with 11 individuals collecting over 1,000 pieces each. While our Milton plant gathered the most litter, our Superior plant, with its high employee participation, was recognized as the winner for its widespread engagement. Our Chicago headquarters also placed third in this community-focused competition.



### Recycle2Win

In 2023, for the second year in a row, we sponsored a film recycling competition with Trex, the world's largest manufacturer of high-performance, low maintenance composite decking and outdoor living products for the Trex® Plastic Film Recycling Challenge. Twelve schools from across the country were honored during a live ceremony, with over \$50,000 in prizes awarded. Over five months, K-12 students competed to collect and recycle the most polyethylene plastic film, supporting the collection of 423,000 lbs. of plastic. Participants had the chance to win high-performance Trex products to enhance and beautify their school environments. As an added incentive, students also had the chance to win cash prizes for their schools, thanks to CNG's corporate sponsorship of the program. For more information about the Recycle2Win results, see this [video](#).



## COMMUNITY GIVING FUNDS

Our total Charitable Give in 2023 was approximately \$525,000 to local communities, including nearly \$400,000 through our **Community Giving Funds**. We solicit employee input in the awards made through this fund, enabling our team members to have a say in where these funds are directed. An example of 2023 giving was an employee-driven \$200,000 donation to the United Way of which \$160,000 was contributed by CNG, and an additional \$40,000 was raised locally by CNG employees. The funds were then donated by the local United Way across 14 different local charities and

organizations that were selected – with the involvement of CNG employees – for the roles that those institutions play in revitalizing local neighborhoods. This donation amplified the growing importance of sustainability inside the communities where CNG employees live and work.

Please see the Partnership Ecosystem table in this report for details on other organizations to which CNG has made donations or with which we have partnered.

### CASE STUDY

#### Partnering with United Way for Local Impact

Colleagues from our plants in Ontario and Lexington, located in Richland County, OH, voted on giving in their area to fund some of the community's financial needs, and launched an employee-led committee to spearhead volunteering and donation activities. The team voted to call themselves **Pulse**, and put forth the following statement: *"Our Vision is to positively pour back into our areas through volunteering and fundraising efforts to create a better community."*

Pulse decided to partner with the United Way to support the organization's funding and volunteer needs. The United Way of Richland County invests the funds it raises through donations and annual campaigns into 42 programs and 14 local non-profit organizations. The donation allocation process entails the involvement of community members who interview each recipient agency, evaluate their program requests, and rate their data and

presentations. Allocations are made based on those interviews. Each program must impact one of four areas: health services, emergency services, family services, or youth development.

This philanthropic activity is very much appreciated by the community, and CNG is recognized as being at the forefront of philanthropic support in the area. The funds donated support vital programs and needs throughout the community that impact residents from different backgrounds in a variety of ways. CNG's Pulse group was able to donate a total of \$200,000 in funds, part of which was allocated by CNG, and complemented by Pulse's fundraising efforts. Pulse members also volunteered their time for a range of community activities.



## PARTNER ECOSYSTEM

We partner with organizations that are as passionate about revitalizing and sustaining communities as we are. We also partner with educational organizations and institutions to support professional development programs and employment opportunities in the geographic areas where our plants are located.



### Employment Support

- Career Fairs (WI, OH)
- Career Centers
- High Schools (e.g. Bloomer, WI; Turners Falls, MA; Rhinelander, OH)
- Chambers of Commerce
- Farmers Markets

- STEM events
- Community Centers
- Colleges and Universities (e.g. North Central State College, The Ohio State University, Ashland College; University of South Carolina, Clemson University;

Western New England University, University of Amherst; Blackhawk Technical College, University of Wisconsin-Madison, University of Wisconsin-Stout, University of Minnesota-Duluth)

### Community Revitalization

- United Way
- American Red Cross
- Catalyst Life Services
- Friendly House Youth Educational and Social Development
- St. Jude's Children's Research Hospital

- Third Street Family Health Services
- Mid-Ohio Youth Mentoring
- Big Brothers, Big Sisters
- Boys & Girls Club
- YMCA Youth Development
- Superior Schools

- Domestic Violence Shelter
- Fire and EMS Departments
- Veteran Companion Animal Services
- Raemelton Therapeutic Equestrian Center
- Humane Society

### Environmental Sustainability

- Wild Instincts Wildlife Rehabilitation Center

- Connecticut River Conservancy
- Circular Great Lakes Initiative

- Chicagoland Marinas



# GOVERNANCE

CNG strives to uphold the highest standards of business ethics. Our Code of Business Conduct and Ethics brings CNG’s values, beliefs and shared behaviors to life, and supporting every aspect of our interactions with all stakeholders.

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| <b>Board Governance</b>                | <b>44</b> |
| <b>Executive Leadership Team</b>       | <b>44</b> |
| <b>CNG’s Sustainability Oversight</b>  | <b>45</b> |
| <b>Risk Management</b>                 | <b>46</b> |
| <b>Cybersecurity and Data Security</b> | <b>46</b> |
| <b>Ethics and Compliance</b>           | <b>47</b> |



# BOARD GOVERNANCE

CNG’s Board of Directors comprises representatives from the company’s Executive Leadership Team, key investors—including KKR, Leonard Green & Partners, L.P., and ADIA—and two independent Directors. The Board has three committees: an Audit Committee, a Compensation Committee, and a Sustainability Committee. The Board and its committees hold quarterly meetings and receive interim updates on key topics as needed.

The Compensation Committee oversees the remuneration of key employees as well as our Total Rewards strategy, ensuring that decisions made are objective, unbiased, and in alignment with fair employment practices. CNG’s Executive Leadership Team regularly reviews compensation programs to guarantee that employees are equitably rewarded for their contributions to company performance.

The Sustainability Committee responsibilities include: monitoring the implementation of the company’s sustainability strategy, reviewing programs, providing guidance, advising on risks, supporting strategy development, and reviewing and approving external sustainability reporting. This comprehensive oversight by the Board and CNG’s Executive Leadership Team ensures that CNG’s commitment to sustainability is both impactful and strategically aligned.

## EXECUTIVE LEADERSHIP TEAM



**Kathy Bolhous**  
Chairman and Chief Executive Officer

**35+ years of leadership experience.**

Ms. Bolhous has driven growth through organic growth and strategic acquisitions, making CNG a specialty film leader in North America. Her people-first approach and commitment to sustainability set her apart in the manufacturing industry.



**Dan Niss**  
President

**30+ years of experience in the specialty film business.**

Mr. Niss possesses an extensive understanding of operations, R&D, raw materials, and sales. He has a strong connection to customers and leads the commercial function including sales and customer service.



**Greg Jorgensen**  
Chief Financial Officer

**20+ years of leadership experience.**

Mr. Jorgensen oversees all financial activities, investor relations, and information technology. He has a strong track record of delivering exceptional financial performance across multiple industries.



**Lisa Alteri**  
Chief Growth and Strategy Officer

**25+ years of experience in leadership positions at global CPG companies.**

Ms. Alteri joined CNG in July 2023, and is responsible for overseeing the company’s human capital, communications, legal, strategy, sustainability, technical, innovation, and customer development.



**Brandon Hall**  
Executive Vice President, Operations

**25+ years of operations leadership experience.**

Mr. Hall leads the Operations function, overseeing daily operations, enhancing efficiency, and driving continuous improvements throughout the organization.



# CNG'S SUSTAINABILITY OVERSIGHT

CNG's Board of Directors and Executive Leadership Team share oversight of the company's sustainability performance, including sustainability-related target-setting and the monitoring of progress against targets. To provide support in this area, the Board has created a Sustainability Committee that meets quarterly and receives interim updates as needed on key topics.

## SUSTAINABILITY MANAGEMENT

John Garnett, Senior Vice President of Sustainability, Technical, and Innovation, leads the company's technical organization and sustainability program. His team includes experts in materials, processing, sustainability, and innovation. Their sustainability responsibilities include:

- Developing and expanding CNG's GreenArrow™ family of corporate sustainability product sustainability, films, including obtaining third-party certifications;
- Implementing climate strategy, and science-based greenhouse gas emission reduction targets;
- Enhancing recycling and landfill diversion efforts to achieve zero waste to landfill across all CNG facilities;
- Managing reporting, compliance, partnerships, and communication of corporate sustainability commitments.

CNG's sustainability policies and initiatives focus on facilities, processes, materials, products, transportation, and recycling.

## STAKEHOLDER ECOSYSTEM

Making progress on our sustainability goals entails continuous engagement with our stakeholders, including customers, suppliers, employees, candidates, communities, governments, and potential investors.

Below are some of our stakeholder engagement highlights from 2023:

|                                 |                                                                                                                                                                                                                       |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Customers</b>                | We aligned our sustainability targets with our corporate strategy, continued to offer and introduced a substantial range of new products with sustainability benefits.                                                |
| <b>Suppliers</b>                | We conducted assessments through our Supplier Sustainability Survey and in-person review sessions with core suppliers to ensure they meet our sustainability standards, and to support their sustainability progress. |
| <b>Employees and Candidates</b> | Our senior leadership maintained regular communication with employees. We also created CNG's first Employee Resource Group (ERG) and provided learning and development opportunities both in-person and online.       |
| <b>Communities</b>              | We engaged in philanthropy and volunteerism initiatives, including the CNG WeCare Fund, to support and give back to the communities we operate in.                                                                    |
| <b>Potential Investors</b>      | We adhered to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, shared quarterly results, and responded to ratings agencies to maintain transparency and build investor confidence.          |

## RISK MANAGEMENT

In 2023, the Board Audit Committee received briefings from internal company experts on various critical areas. These briefings included updates related to our global corporate strategy, business performance, sustainability performance, capital allocation, enterprise risk management, cybersecurity, and people development and talent acquisition.

This comprehensive approach ensures that the Board remains well-informed and capable of making decisions that align with the company's strategic goals and risk management framework.

Climate-related risks and opportunities are identified and managed by CNG's Senior Vice President of Sustainability, Technical, and Innovation, who informs the Executive Leadership Team and Sustainability Committee.

## CYBERSECURITY AND DATA SECURITY

Cybersecurity is a crucial part of our overall risk management program. Our IT department aims to strengthen CNG's digital defenses and cybersecurity infrastructure, to prevent production outages or loss of sensitive information, and ensure business continuity. This is accomplished through robust monitoring, targeted technology enhancements, internal testing, and frequent employee awareness campaigns.





# ETHICS AND COMPLIANCE

CNG works to enable our employee owners and other stakeholders to understand and comply with our company’s high standards of ethical business conduct, and to comply with legal and regulatory requirements. CNG conducts mandatory annual training on policies and procedures; third-party due diligence and monitoring; and investigation and remediation of unethical, illegal, or inappropriate conduct.

Our **Code of Business Conduct & Ethics** brings CNG’s values, beliefs, and shared behaviors to life. The purpose of the Code is to deter wrongdoing and to promote ethical conduct among our employees. Further, we want to ensure that the company’s business is conducted in a consistently legal and ethical manner. The Code was rewritten and rolled out to all employees at year-end 2023 for them to read and sign.

The policies contained in the Code encompass Equal Employment Opportunity, Discrimination and Harassment, Fraud, Unfair Competition and Anti-Trust, Trade Compliance, Insider Trading, Anti-Bribery/Anti-Corruption, Conflicts of Interest, Reporting Violations, Human Rights, Maintaining a Safe Workplace, Business Courtesies, Information Security, and Environmental Policy.

The Code provides instructions for reporting violations and incorporates a statement on non-retaliation. A Speak-Up hotline is planned to be implemented in 2024.

## ETHICS AND COMPLIANCE TRAINING AND AWARENESS

CNG’s office-based and site management employees review and acknowledge our high expectations by completing our **Annual Policy Certification** and mandatory compliance training. Our commitment to compliance and ethics is also supported at the highest levels of our company, beginning with our Chairman and CEO. The Executive Leadership Team also provides executive oversight of our compliance performance through the Compliance Committee. The Board of Directors and Audit Committee receive regular updates on CNG’s compliance program. Our Board approves any changes to our Code of Business Conduct and Ethics.

Our CNG team reviews training curriculums annually and policies periodically, or as changing laws and regulations require. They regularly report on and communicate with employees regarding related topics, while interacting with other parts of our business to fulfill regulatory and customer requirements. Updates to policy commitments and changes to policies are communicated via State of the Business Updates, Newsletters, and other communications.

In 2023, 100% of employees completed mandatory online harassment training. All managers and above complete management ethics training.

### Discrimination and Harassment Policy

CNG’s Code of Business Conduct and Ethics includes a Discrimination and Harassment statement that requires all CNG employees and other stakeholders to treat each other fairly, with dignity and respect. CNG does not tolerate racism, harassment, discrimination, prejudice, or retaliation of any kind. CNG prohibits harassment, defined as behavior – whether verbal, written or physical – that is offensive, intimidating, bullying, hostile, or abusive, whether at CNG facilities or other work-related events. The policy includes a list of behaviors that are prohibited and advises any employee who believes that they have been subject to harassment or discrimination to report it immediately. Upon receiving a report, HR immediately initiates an investigation, overseen by legal, which is typically completed within one week. Based on the findings, appropriate actions, including disciplinary measures or termination, are taken against the offending employee. CNG provides additional information regarding anti-discrimination and anti-harassment in the company’s Employee Handbook and in CNG’s Anti-Discrimination and Anti-Harassment Policy.

## SUPPLIER CODE OF CONDUCT

CNG strives to conduct business only with suppliers, customers, and other business partners who share and support our standards. We expect our supplier partners to adhere to CNG's **Business Partner Code of Conduct**. This document covers compliance with laws and regulations, safety, standards of ethical and responsible business conducts and practices, treatment of individuals and fundamental human rights within supply chains, exclusion of conflict minerals, and fraud prevention.

At CNG, we aim to continuously monitor third parties to reassess business relationships if necessary. In some cases, our due diligence process encompasses information about our potential partners' ownership compliance programs and any past relevant legal or regulatory issues, including economic sanctions.





# APPENDIX

TCFD Content Index

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# TCFD CONTENT INDEX

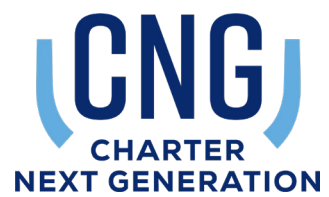
Transparent corporate climate change reporting is a priority for CNG. For this inaugural Sustainability Report, we have adopted the Task Force on Climate-Related Financial Disclosures (TCFD) voluntary framework. TCFD is now subsumed into the International Sustainability Standards Board (ISSB), which is owned by the International Financial Reporting Standards (IFRS) Foundation. The IFRS website identifies TCFD recommendations as a good entry point for company disclosures during this transition.

The table below identifies the actions taken by CNG in response to the 11 recommended TCFD disclosures. Moving forward and based on discussions with our investors and stakeholders, CNG intends to evaluate opportunities to enhance our TCFD-related disclosures as part of our broader disclosure reporting strategy.

| Topic                                                                                                                                                                                                        | Recommended Disclosure                                                                                                                                       | Response or Location                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Governance:</b> Disclose the organization’s governance around climate-related risks and opportunities.                                                                                                    | a. Describe the board’s oversight of climate-related risks and opportunities.                                                                                | <a href="#">Governance – CNG’s Sustainability Oversight</a> , page 45;<br><a href="#">Risk Management</a> , page 46                                                                                                                 |
|                                                                                                                                                                                                              | b. Describe management’s role in assessing and managing climate-related risks and opportunities.                                                             | <a href="#">Governance – CNG’s Sustainability Oversight</a> , page 45;<br><a href="#">Risk Management</a> , page 46                                                                                                                 |
| <b>Strategy:</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material. | a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.                               | <a href="#">Our Customers – Product Innovation</a> , page 18;<br><a href="#">Scaling Impact Through Collaboration</a> , pages 19-22<br><br><a href="#">Our Planet – Accelerating Sustainability in Our Operations</a> , pages 27-28 |
|                                                                                                                                                                                                              | b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.                        | CNG does not disclose this information.                                                                                                                                                                                             |
|                                                                                                                                                                                                              | c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | CNG does not disclose this information.                                                                                                                                                                                             |



| Topic                                                                                                                                                                       | Recommended Disclosure                                                                                                                                    | Response or Location                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Management:</b> Disclose how the organization identifies, assesses, and manages climate-related risks.                                                              | a. Describe the organization’s processes for identifying and assessing climate-related risks.                                                             | <a href="#">Governance – Risk Management</a> , page 46                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                             | b. Describe the organization’s processes for managing climate-related risks.                                                                              | <a href="#">Our Planet – Climate – Accelerating Sustainability in Our Operations – Logistics and Transportation – Collecting our Suppliers' Climate-Related Data</a> , page 27<br><br><a href="#">Governance – Risk Management</a> , page 46                                                                                                            |
|                                                                                                                                                                             | c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.  | <a href="#">About CNG – Sustainability Strategy Integration</a> , page 15<br><br><a href="#">Our Planet – Accelerating Sustainability in Our Operations – Logistics and Transportation – Collecting our Suppliers' Climate-Related Data</a> , page 27                                                                                                   |
| <b>Metrics and Targets:</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | <a href="#">Our Customers – Product Innovation</a> , page 18;<br><a href="#">Scaling Impact Through Collaboration</a> , pages 19-22<br><br><a href="#">Our Planet – Climate – Our 2023 Carbon Footprint</a> , pages 24-25                                                                                                                               |
|                                                                                                                                                                             | b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.                                          | <a href="#">Our Planet – Climate – Our 2023 Carbon Footprint</a> , pages 24-25                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                             | c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                       | <a href="#">Introduction – 2023 Sustainability Highlights</a> , page 7;<br><a href="#">About CNG – Our Sustainability Strategy – Science Based Greenhouse Gas Emissions Reduction Targets</a> , page 15<br><br><a href="#">Our Planet – Climate – Our 2023 Carbon Footprint</a> , pages 24-25;<br><a href="#">CNG's Science-Based Targets</a> , page 26 |



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