

# SUSTAINABILITY REPORT 2023



**MSI Express™**

A perfect partner in every case.

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# Letter from the CEO

To our employees, customers and vendors: I am proud to be CEO of a business that can improve the food supply of our world while at the same time focusing on sustainability; a subject that is pivotal to the future of our families and our planet.



In today's rapidly evolving world, where environmental and human concerns are at the forefront of the news, we at MSI Express believe that sustainability is one of our core values and imperative to the future of food manufacturing.

**Sustainability is about meeting our current needs without compromising the ability of future generations to meet their own.** For us, this means integrating environmentally and socially responsible practices into our business model, however, we cannot do it alone. We all need to work together to achieve improvements in sustainability. We can do this most effectively when we collaborate. I am confident that together, we can implement sustainable solutions while also improving business results.

**First, sustainability drives innovation.** In our quest to reduce our carbon footprint and implement more sustainable packaging, we've adopted cutting-edge technologies and practices. These innovations not only contribute to a healthier planet but also drive efficiency and cost-effectiveness in our operations. Our continuous improvement efforts in energy efficiency, packaging material enhancements, and waste reduction not only align with global sustainability goals but also resonate with the growing consumer preference for eco-friendly products and services.

**Furthermore, sustainability enhances brand value and reputation.** Today's consumers are increasingly conscious of the environmental impact of their choices. By prioritizing sustainability, we're not just committing to ecological responsibility; we're also aligning with all our customers' values.

Being more in tune with our customers strengthens our brand, your brand, builds customer loyalty, and enhances overall market position.

We also recognize that our commitment to sustainability is not just about the environment. It's also about people – our employees, our communities, and our customers. We understand that a sustainable approach to business contributes to a healthier workplace, fosters community development, and builds stronger, long-term customer relationships. Our efforts in sustainable packaging and the comprehensive management of materials are a testament to this commitment.

At MSI Express, we view sustainability as a journey, not a destination. It's a continuous process of learning, trying new ideas, failing, adapting, and improving. As partners in this journey, we are committed to sharing best practices and collaborating on sustainable initiatives that deliver tangible benefits for our businesses and the wider world.

We cannot succeed in our journey without your support and collaboration. Simply put: Sustainability is good business.

Together, we can make a significant impact, not just on our businesses, but on the world we live in. Let's continue to work hand in hand to create a more sustainable, prosperous future for our collective families and future generations to come.

Sincerely,  
Charles Weinberg  
CEO, MSI Express

# Company Overview

MSI Express exceeds expectations in safety, quality, and productivity, leveraging continuous improvement and decades of engineering experience. Our innovations include automation and state-of-the-art technologies, enabling us to meet diverse packaging requirements for a single product or an entire manufacturing facility.

**14**

operating facilities  
in the U.S.



**2.3M** SQ FT  
space under roof

**3000+**

employees and  
contractors

## CERTIFICATIONS

SQF Level 3  
FDA Registered  
NSF Compliant  
Organic and  
Kosher

**\$4M**

in energy  
efficiency  
improvements  
between 2021-2024

**100+**

global brands  
served in 2023

**Inc.  
5000**

**TOP 5000**

fastest growing  
companies in  
the Midwest

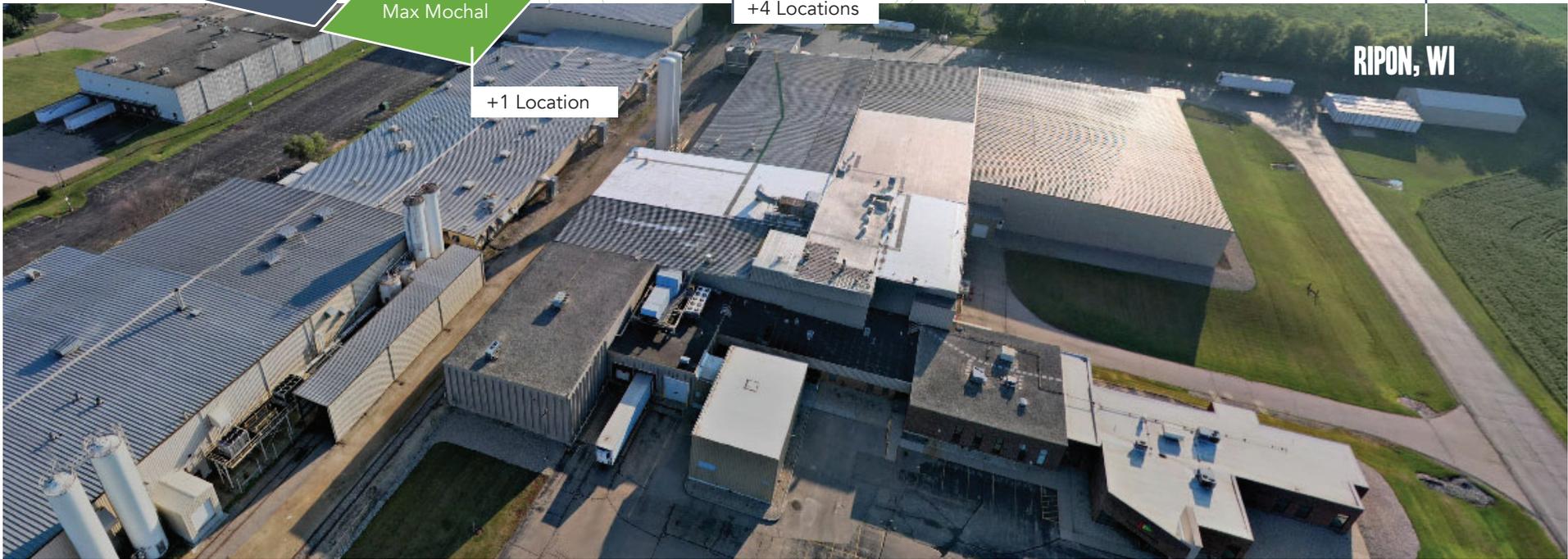
**547%**

3 year growth  
rate

# Company Milestones

With over 125 years of combined packaging history, MSI Express has a deep understanding of the industry, using our expertise to adapt and innovate. We are strategically positioned for dynamic growth through a focus on expanding our locations and delivering reliable packaging solutions.

- Company Merger
- New Facilities



# Brand Position

MSI Express is a strategic, innovative contract manufacturing and packaging company. Our growing breadth of capabilities and trusted team of problem solvers are a perfect match for the challenges of today's CPG world. With an engineer as our founding partner, and a highly talented executive leadership team, we create innovative engineering solutions to package your products efficiently.

## WHY DO COMPANIES WORK WITH US?

MSI Express gives customers the quickest and most efficient solution to save time, cut costs, and safeguard their brand. By teaming up with us, customers gain access to our engineering and technical proficiency, addressing even the most intricate manufacturing and packaging hurdles.

Our ability to troubleshoot and problem solve gets products to market faster — and drives profitability by producing at the most efficient total delivered cost.

## WHAT ARE OUR STRONGEST ATTRIBUTES?

- 1 Our people
- 2 Project management and commercialization
- 3 Comprehensive capabilities
- 4 Simplified supply chain
- 5 Agility and speed to market
- 6 Customized solutions
- 7 Responsiveness
- 8 High customer confidence
- 9 Consistent quality performance
- 10 Data analysis and system integration

## WHAT DO WE DO BEST?



Stick Packs



Liquid filling



Dry Blending



Cups



Pouching

Canisters

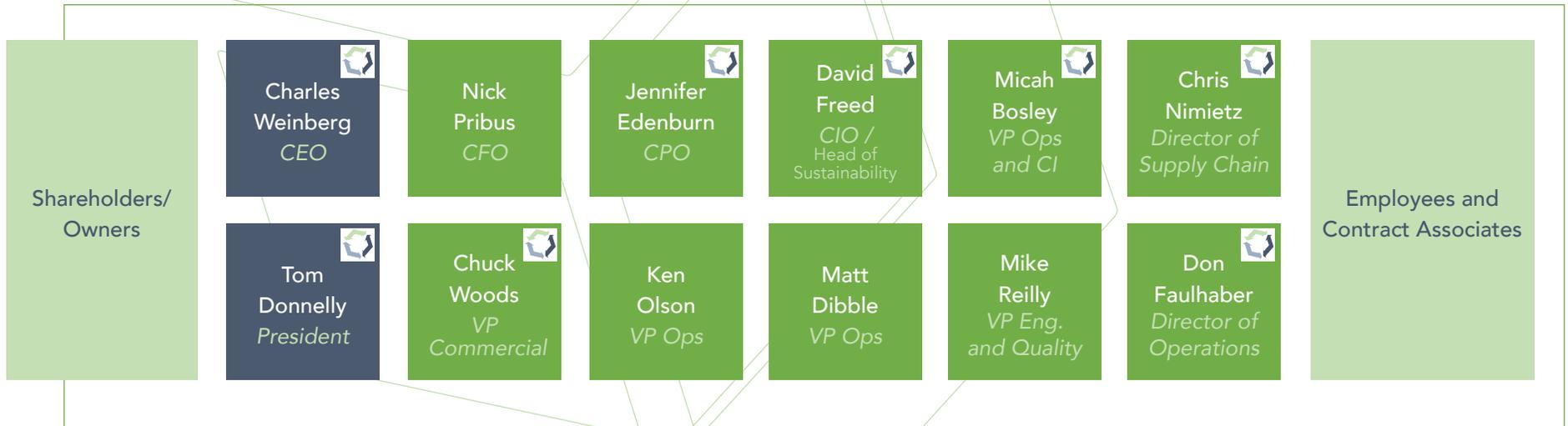
Bag in Box

# Organization and Stakeholders

MSI Express recognizes the significance of fostering positive relationships with each stakeholder group. Because collaboration is essential for sustained growth and ethical business practices, we engage with a diverse range of stakeholders, each playing a crucial role in the company's success.

## OUR ORGANIZATION

 = Sustainability Committee Member

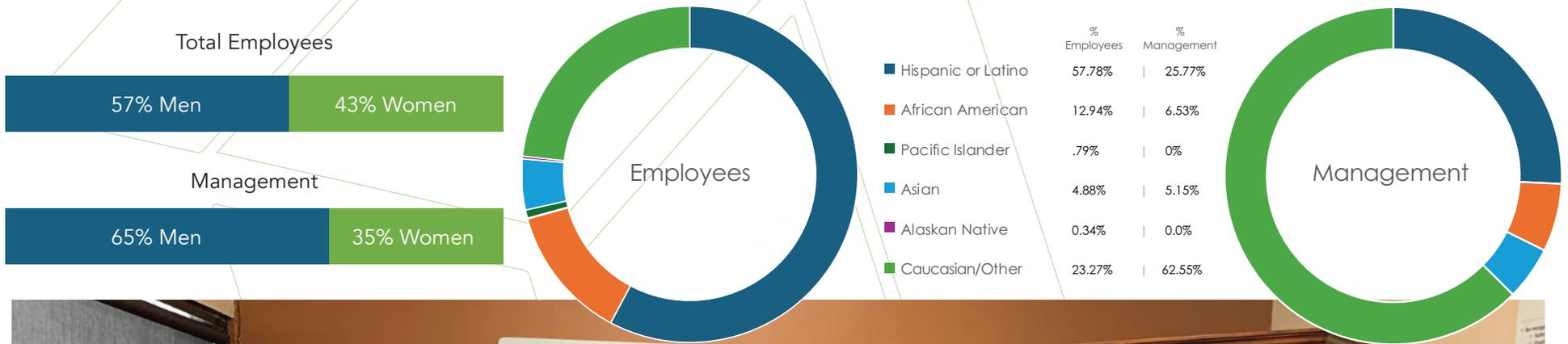


## OUR STAKEHOLDERS



# Our People

**RECOGNIZING THE VALUE OF DIVERSE PERSPECTIVES**, MSI Express is an inclusive workplace environment that supports and promotes individuals from different ethnic backgrounds. Our team members display a rich tapestry of ideas, experiences, and talents, contributing to innovative product development and enhancing the market competitiveness of MSI Express. Our people make us great!



# Standard Operating Procedures

MSI Express, Inc. is dedicated to protecting the environment through proactive stewardship and sustainable development. This core commitment covers all departments, employees, support staff, and vendors, led by the Executive Leadership Team.

## THE FOLLOWING PRINCIPLES GUIDE OUR ENVIRONMENTAL COMMITMENT:

**Compliance with Environmental Requirements** – Comply with all applicable federal, state, and local environmental laws, statutes, regulations, and requirements. When feasible, we will establish and maintain our own environmental standards that exceed existing laws and regulations.

**Healthy Built Environment** – Promote health, wellness, and quality of work-life by integrating buildings and grounds with the natural environment and promoting indoor environmental quality.

**Healthy Facilities** – Assess environmental implications in the design, construction and operation of plant infrastructure, grounds, and buildings. Promote environmental sustainability through resource conservation, ecologically sound landscaping practices, and sustainable building design; as well as through facility operation and transportation that minimizes environmental impact.

**Pollution Prevention** – Control solid waste generation and the potential release of pollutants into the environment through source reduction, reuse, recycling, treatment, and disposal.

**Minimize Waste** – Minimize or eliminate the creation of any waste. Target is zero discharge.

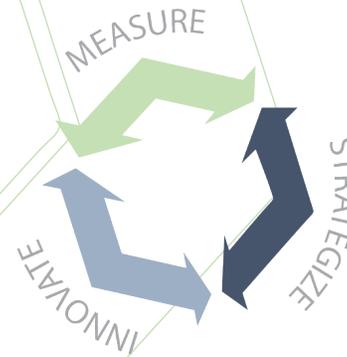
**Environmentally Responsible Equipment** – When purchasing products and services, we consider environmental responsibility, life cycle, cost, and functional performance of our service providers and suppliers.

**Resource Conservation** – Regular evaluation and monitoring to reduce resource consumption, eliminate waste, promote efficiency, and implement practical conservation measures in existing buildings, renovations, and new construction.

**Green Technology** – Review and recognize the potential impacts on efficiency and sustainability through computing, communication, and other developing technologies on human health and the environment.

**Environmental Education and Awareness** – Provide environmental education for all employees, contractors, and visitors, and share environmental performance information with customers.

**Environmentally Responsible Sourcing** – Choose environmentally friendly materials and environmentally conscientious suppliers and vendors when sourcing materials and services.



# Sustainability Requirements

MSI Express has clear sustainability standards and specific targets for emissions, resource usage, and waste management.

But we can't do it alone; we have systems in place to work with our suppliers and continuously improve these results.

In 2023, MSI Express Sustainability committee members met bimonthly with a focus on advancing practices and standards in:

- 1 Alternative packaging suppliers
- 2 Energy efficiency projects
- 3 Procurement

**Sustainable Packaging Alternatives** - MSI Express provides sustainable packaging alternatives to our customers, including recyclable packaging, compostable materials, and organic products whenever possible.

**Regular Audits and Assessments** - MSI Express is currently implementing a roll out of TraceGains, an auditing function to help supplier validation.

**Collaborative Goal Setting** - MSI Express works collaboratively with suppliers to set achievable sustainability goals, fostering a joint commitment to improvement.

**Supply Chain Transparency** - MSI Express encourages transparency in the supply chain, requiring suppliers to disclose their own suppliers and practices.

**Training and Capacity Building** - MSI Express offers training and resources to suppliers, especially smaller ones, to help them meet sustainability standards.

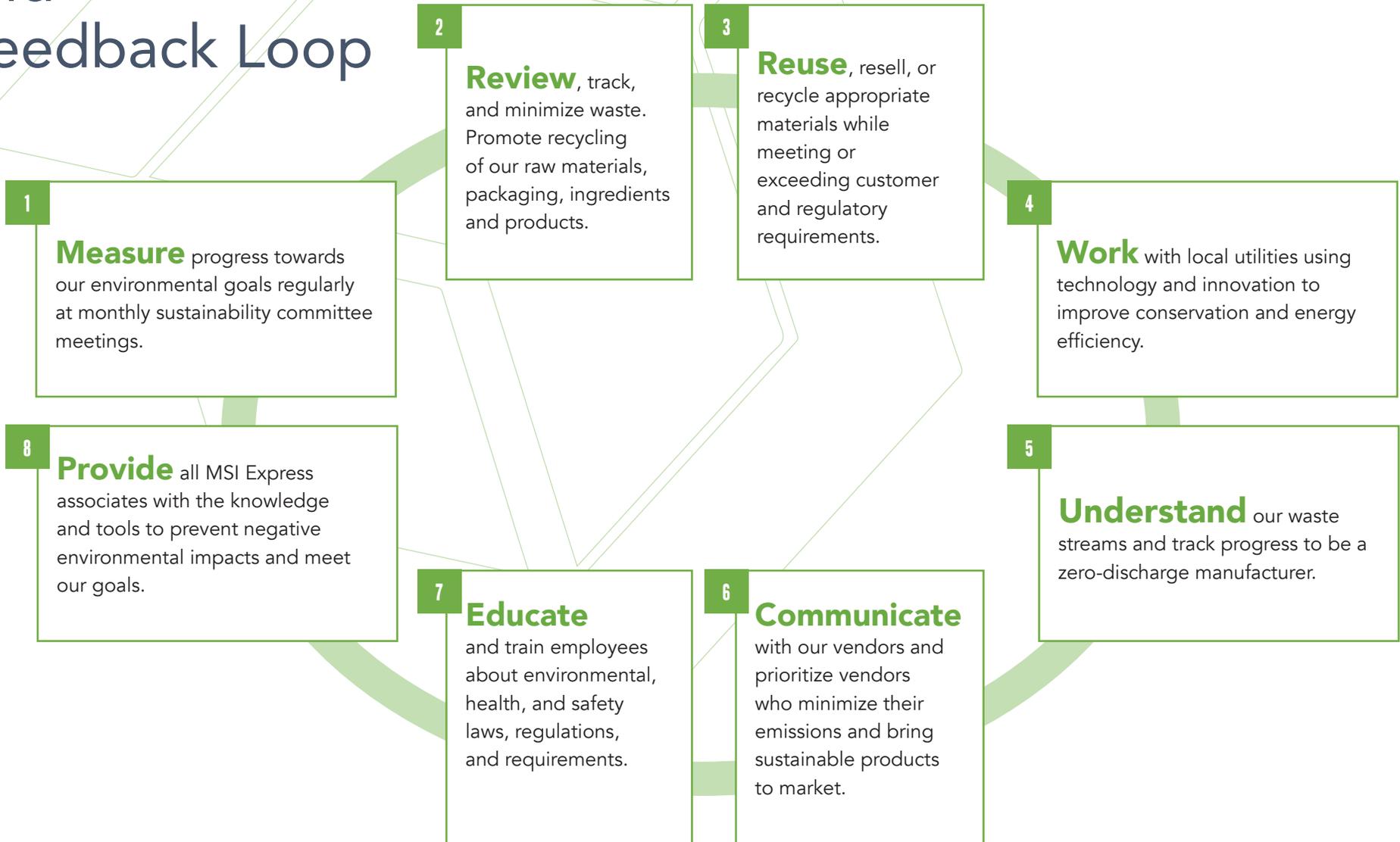
**Performance Incentives** - MSI Express has created incentive programs, such as preferred access to RFQs, to reward suppliers who consistently meet or exceed sustainability criteria.

**Zero Tolerance for Child Labor and Corruption** - MSI Express has a strict policy against child labor and corruption and has the right to terminate contracts with suppliers who violate these terms.

**Community Engagement Encouragement** - MSI Express encourages suppliers to engage in positive social practices in their communities, such as local development projects or volunteer programs.

# Continuous Improvement and Feedback Loop

MSI Express uses a feedback mechanism for continuous improvement in sustainability practices, and regularly updates policies to reflect new standards and regulations.

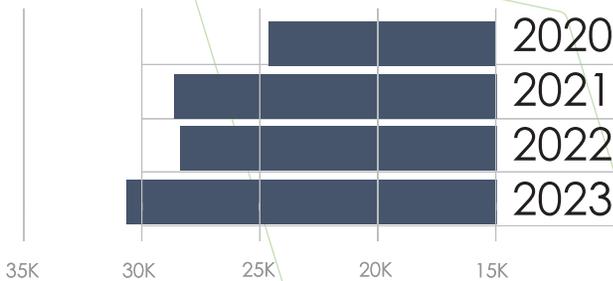


# Progress in Sustainability

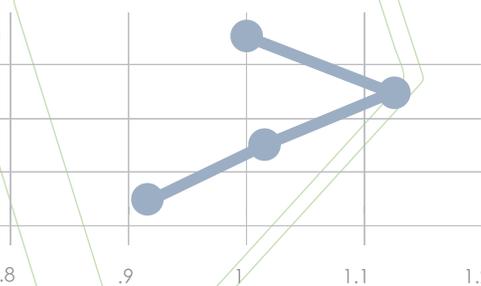
In 2023 we improved our sustainable packaging options and energy reporting capabilities to our customers:

- ◆ \$7M investment in drink stick automation enabled our customers to realize 85% reduction in carbon intensity.
- ◆ Introduced more sustainable paper breakfast cups for a major CPG company.
- ◆ Moved to vendors who use 100% recycled cardboard.
- ◆ Implemented a sustainable packaging solution with major powdered beverage customer.
- ◆ Supported conversion from pouch to display cardboard with customers.

## Overall Emissions (CO<sub>2</sub> metric tons)



## CO<sub>2</sub> metric ton emissions per unit of revenue Figures indexed to 2020



## Recycling



**+37%** year over year.

Our Trash to Treasure program makes recycling and waste reduction part of our production process.



## Green Products

MSI beverage stick packaging reduces carbon by 85% or 100K tons of CO<sub>2</sub> annually.

1.2B drink sticks has potential to reduce plastic bottles and still achieve flavor and functional benefits.



Towards 100% PCR - wider use of post consumer recycled cardboard and plastics per sustainability procurement strategy.

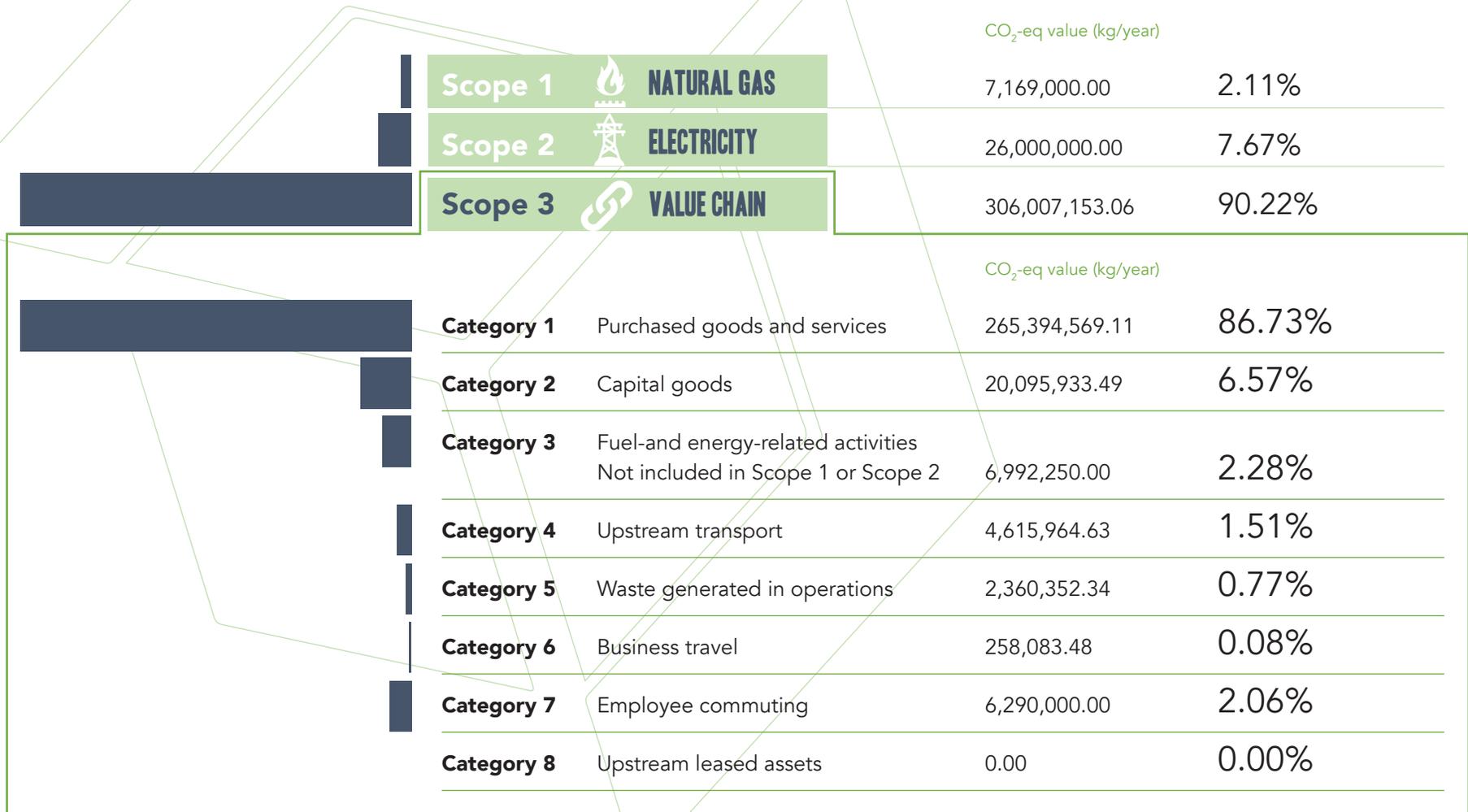
## Smart Shipping



By rethinking distribution and storage methods for a beverage client, MSI Express eliminated 528 truckloads shipped or 204,336 miles traveled.

# Scope 3 Report

## 2022 Data



Quantis

# Energy Consumption

## 2021-23

Energy usage is recorded by the sustainability committee. Energy consumption data is used to calculate our aggregated carbon footprint, which includes direct and indirect greenhouse gas emissions associated with energy use.

|             | NATURAL GAS<br>in Therms |                        | ELECTRICITY<br>in kWh |                        |                             | CO <sub>2</sub> emissions per unit of revenue. Figures Indexed to 2020. |
|-------------|--------------------------|------------------------|-----------------------|------------------------|-----------------------------|---|
|             |                          | equiv. CO <sub>2</sub> |                       | equiv. CO <sub>2</sub> | Power from 0 carbon sources |   |
| <b>2021</b> | 1,283,221                | 6,801                  | 47,303,047            | 21,894                 | 0                           | 1.13  |
| <b>2022</b> | 1,504,107                | 7,927                  | 46,924,787            | 20,751                 | 11%                         | 1.06  |
| <b>2023</b> | 1,516,342                | 8,037                  | 52,484,572            | 23,743                 | 11%                         | .96   |

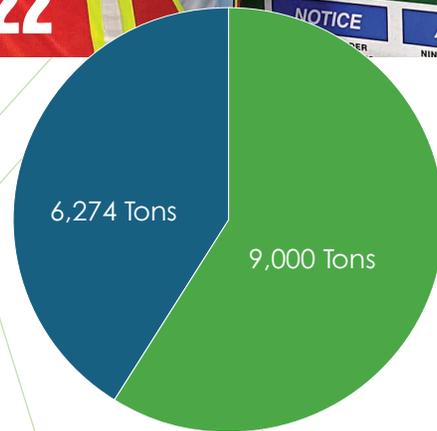
|                 |             |             |             |
|-----------------|-------------|-------------|-------------|
| 3-year % change | <b>+1.4</b> | <b>+7.8</b> | <b>-16%</b> |
|-----------------|-------------|-------------|-------------|

| WATER<br>in Gallons (M) |           |
|-------------------------|-----------|
| <b>2021</b>             | 60        |
| <b>2022</b>             | 61        |
| <b>2023</b>             | 65.9      |
| 3-year % change         | <b>+8</b> |

# Trash and Recycling Report

## 2022-23

- 1 The standard operating procedure at MSI Express is to separate waste according to type and dispose of accordingly.
- 2 All recycled materials, including plastic and corrugated cardboard are baled and delivered to recycling vendors.
- 3 Waste that can be used as animal feed is stored separately.
- 4 Resource planning for raw materials ensures usage before expiration date.



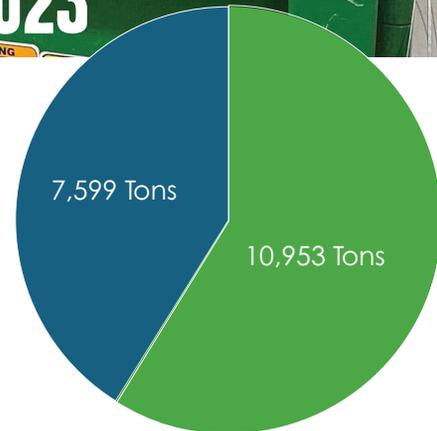
Trash Hauled Recycled Material

**15274**

Tons of trash generated total

**59%**

Diverted from landfill



Trash Hauled Recycled Material

**18552\***

Tons of trash generated total

**59%**

Diverted from landfill

\*Includes 2023 addition of Ripon, WI facility.

# Our Culture

At MSI Express, we prioritize a corporate culture centered on our people, emphasizing safety, quality, productivity, and technology. We emphasize a safe working environment for our team members by implementing rigorous safety protocols and training programs. Our focus on quality delivers products and services that meet the highest standards. It begins with valuing our people, by fostering a supportive work environment through collaboration, growth, and a sense of community.

## HOW WE THINK

**T**each, coach, mentor

**R**ight the first time

**A**lways a clean, safe workplace

**I**mprove continuously

**N**ever "Not my job"

**MSI Express TRAIN**  
Learn about our  
employee culture by  
watching an informative  
seven-minute video.



## HOW WE WORK

### Safety

- ✓ Zero accidents/injuries
- ✓ Identify safety hazards and correct/make suggestions for improvement
- ✓ Monthly Safety training topics

### Quality

- ✓ Plants are clean, organized and audit ready
- ✓ GMP prerequisite programs to ensure safe, quality foods
- ✓ SOPs and work instructions to provide superior products
- ✓ Clean during downtime
- ✓ Monthly Quality training topics

### Productivity

- ✓ Maintenance excellence
- ✓ Production planning and scheduling
- ✓ Data and knowledge-based failure prevention
- ✓ Use metrics to track productivity on a daily basis and drive root cause problem solving



### Technology

- ✓ Use the right technology to get the job done
- ✓ Engineered solutions to problems

### People

- ✓ Treat each other with respect
- ✓ Learn from our mistakes
- ✓ Ask for help and support and learn from each other
- ✓ Provide the best customer service
- ✓ Welcome challenges to support the growth of the organization

# Code of Standards

High ethical standards create a safe and productive work environment, enhance trust and satisfaction, and contribute to the shared goal of surpassing customer expectations.

## PERFORMANCE

We measure performance in real time, ensuring that every employee understands the importance of productivity, every customer is satisfied, and every order is profitable.

## SAFETY

We never compromise on employee safety, food safety, and quality. We foster a safe, collaborative, and fun work environment where each employee is respected, trusted, and valued.

Enthusiasm

Safety

Respect

Confidentiality

Innovation

Communication

## BEST PRACTICES

Using innovative tools, following best practices, and implementing common systems across all locations eliminates mistakes and creates consistency for our employees and our customers.

## EMPOWERMENT

We value all of our people, and empower them to help achieve safety, efficiency and quality through open communication, trust and respect.

# Personal Development and Training



## 2023 TRAINING STATISTICS

MSI Express invests in the growth of its employees, by creating a skilled and adaptable workforce, delivering cutting edge solutions to our customers. Prioritizing employee development through robust training programs provides our people with the skills and knowledge necessary for success, growth and advancement.

**81**

Internal promotions  
in 2023

**67**

Training courses available  
in 2023

Subjects include safety, quality, IT, team development, problem solving, finance, technical, leadership and many others.

**100+**

Individual Development  
Plans

Including Cisco, OSHA, Center for Creative Leadership, Amatrol, LinkedIn Learning, Myers Briggs, CISSP and more.

**3,087** active training users.

**343** minutes trained per person.

**148,549** total training events completed.

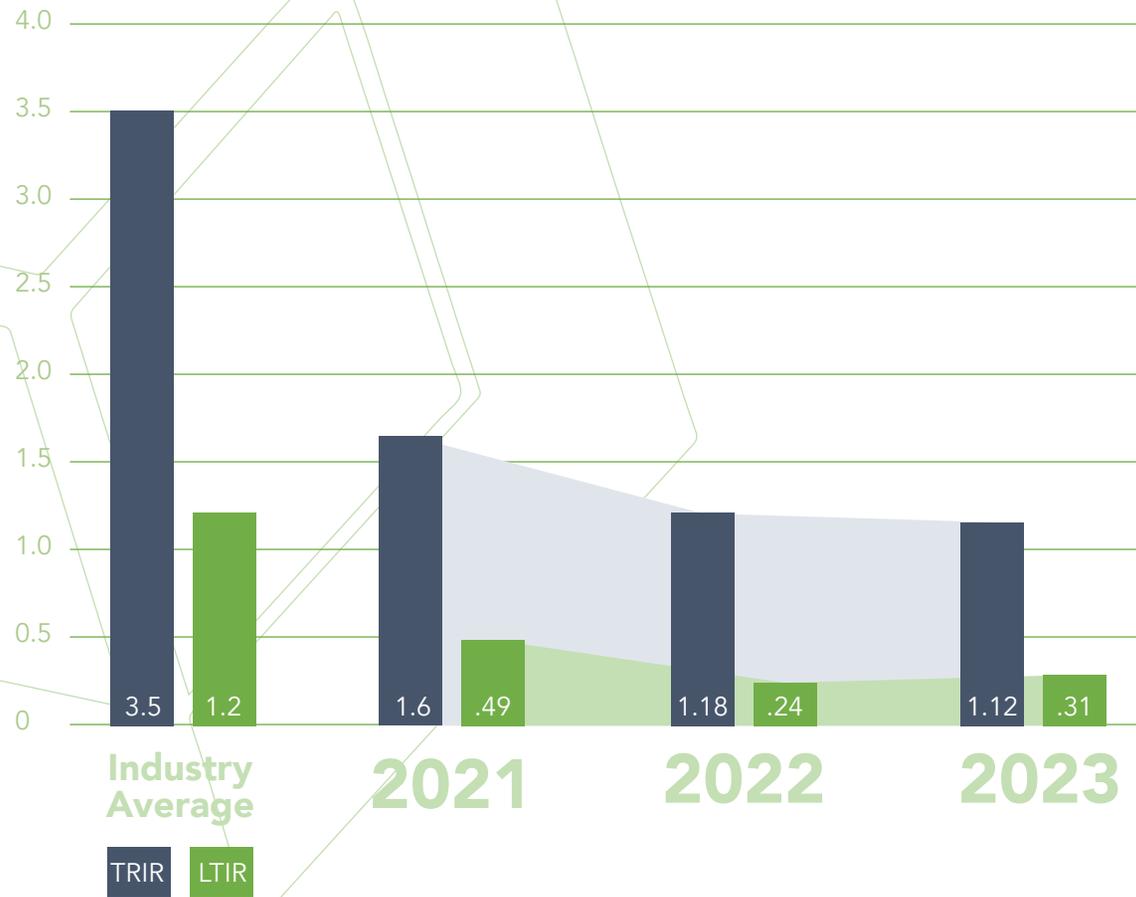
**1,058,841** total training hours spent.

# Safety Metrics

Recording TRIR (Total Recordable Incident Rate) and LTIR (Lost Time Incident Rate) are integral components of our corporate safety program, providing a quantifiable means to assess and improve safety performance, enhance workplace safety culture, and meet regulatory requirements. Regular analysis of these metrics contributes to the overall goal of creating a safer and healthier work environment for employees.

MSI Express has a comprehensive safety training program incorporating constant use of:

- 1 BBS and Hazard Reporting Systems
- 2 Regular corporate EHS review meetings
- 3 Plant safety teams and committees
- 4 Plant safety Gemba Walks
- 5 Monthly safety training



# Partnerships and Outreach

MSI Express invests in meaningful partnerships and impactful social outreach in our communities. One of our special partnerships is with Glenwood Academy, actively supporting educational programs and community initiatives. This collaboration reflects MSI Express's commitment to local youth through education and mentoring.



MSI Express participates in multiple associations and organizations to foster organizational growth and advancement.



MSI Express team members delivering meals through Bigger Table.



We also have a noteworthy partnership with Bigger Table, an organization dedicated to addressing food insecurity. MSI Express's commitment to making a positive impact extends beyond our role as a consumer goods manufacturer to actively contribute to the well-being of local residents.



Over 40 MSI Express employees at an American Heart Association Heart Walk event.



Collecting over 300 Toys for Tots at Hammond, IN facility.

# Disclaimer

## Sustainability and Energy Usage Reporting

The information presented in this sustainability and energy usage report is intended to provide an overview of our co-manufacturing facilities' environmental performance. However, readers are advised to consider the following disclaimer:

1. **Accuracy and Completeness:** While we strive for accuracy and completeness in our reporting, the data provided in this report may be subject to inherent limitations and uncertainties. Variations in measurement methodologies, data collection processes, and external factors beyond our control may impact the precision of the information presented.
2. **Dynamic Nature of Operations:** Our co-manufacturing facilities operate in a dynamic environment where changes in production processes, technology upgrades, and other operational adjustments may occur. As a result, the sustainability and energy usage figures reported herein may be reflective of a specific time frame and may not capture real-time variations.
3. **External Factors:** The sustainability and energy usage metrics outlined in this report may be influenced by external factors such as fluctuations in energy prices, regulatory changes, and market dynamics. These external elements can impact the overall context and interpretation of the data provided.
4. **Third-Party Data Sources:** To enhance the comprehensiveness of our reporting, we may have incorporated data from third-party sources. While efforts have been made to ensure the reliability of such information, we cannot guarantee its accuracy or endorse the methodologies employed by external entities.
5. **Future Projections:** Any forward-looking statements or projections regarding future sustainability initiatives or energy usage goals should be considered speculative and subject to change. Actual results may differ materially from these projections due to unforeseen circumstances or shifts in business strategy.
6. **Legal and Regulatory Compliance:** This report is not intended to serve as legal or regulatory compliance documentation. Readers should independently verify our compliance with applicable laws and regulations related to sustainability and energy usage.

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