

# SUSTAINABILITY REPORT 2024



**MSI Express™**

A perfect partner in every case.

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# Letter from the CEO

I am honored to lead a team of hard-working people who manufacture a safe food supply for our nation, 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, and then not, we at MSI Express believe that sustainability is one of our core values and imperative to the future of food manufacturing. Simply put: Sustainability is Good Business.

**Sustainability is more than just recycling or thinking about today's needs.** It is about meeting our current needs without compromising the ability of future generations to meet their own. We all need to work together to achieve improvements in Environmental, Social and Governance areas. ESG criteria helps our customers assess how we manage risks and opportunities related to environmental sustainability, social responsibility, and corporate governance practices.

**First, environmental stewardship is a responsibility – for us and for future generations.** In our quest to reduce our carbon footprint and implement more sustainable packaging, we've made some strides in 2024, and these innovations not only contribute to a healthier planet but also drive efficiency and cost-effectiveness in our operations. Our mantra of Improve Continuously is more than just in productivity but also in energy efficiency, packaging material enhancements, and waste reduction. The less waste and scrap we generate, the better our environmental impact and our profitability.

**Furthermore, Social aspects of our business enhance our reputation and attract the best employees.** Today's employees are conscious of the environmental impact of their choices, and who they work for. Prioritizing sustainability and ecological responsibility aligns us with our

employees and customers values. We value the diversity of our workforce and put effort into providing career growth for those who want to expand their horizons and financial stability for our growing workforce.

How we govern, matters to 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, waste reduction, employee involvement, community support, promotion from within, employee training and development, and a strong commitment to workplace and food safety are keys to how we govern.

At MSI Express, we view ESG as a way of life and each of our team members is critical to the success of our journey. Sustainability improvements rely on all of our people and how we work together to improve continuously in our processes, procedures, systems, and hence our productivity.

We cannot succeed in our efforts without your support and collaboration. Simply put: Sustainability is good business. We can make a more significant impact for our customers, our communities, and our environment if we continue to work hand in hand to create a more sustainable, prosperous future for our collective families and future generations to come.

Sincerely,

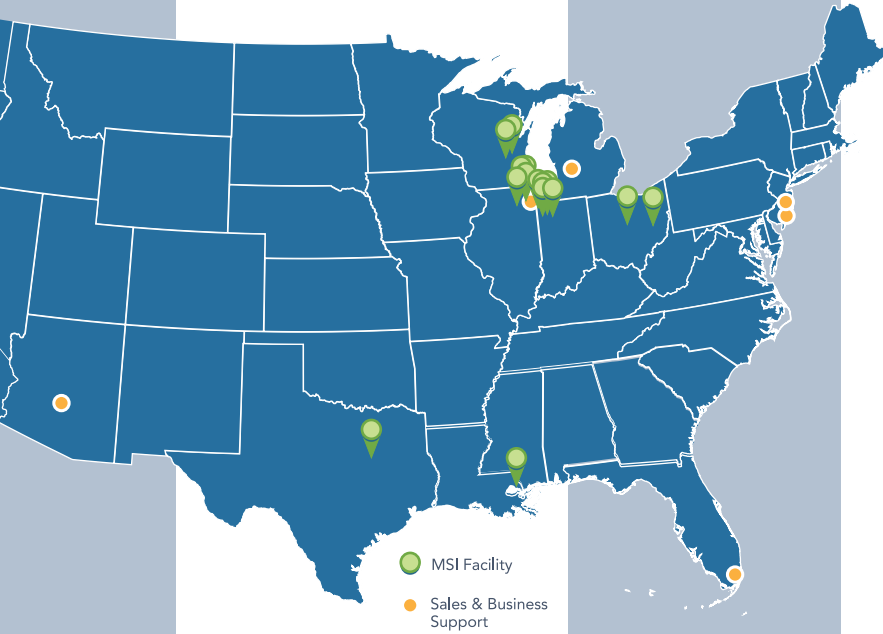
Charles Weinberg  
CEO, MSI Express

# 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.

15

operating facilities  
in the U.S.



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 2024

Inc.  
5000

TOP 5000

fastest growing  
companies in  
the Midwest

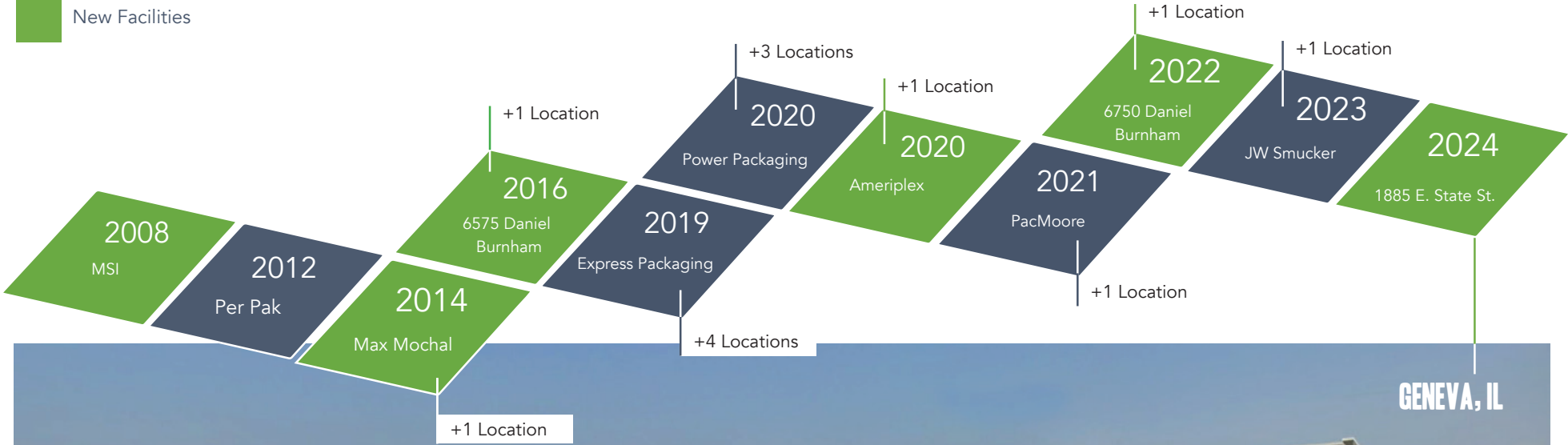
16%

YOY growth rate  
last 3 years

# Company Milestones

- Company Merger
- New Facilities

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.



# 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



Gummies  
Dry Blending



Cups  
Pouching



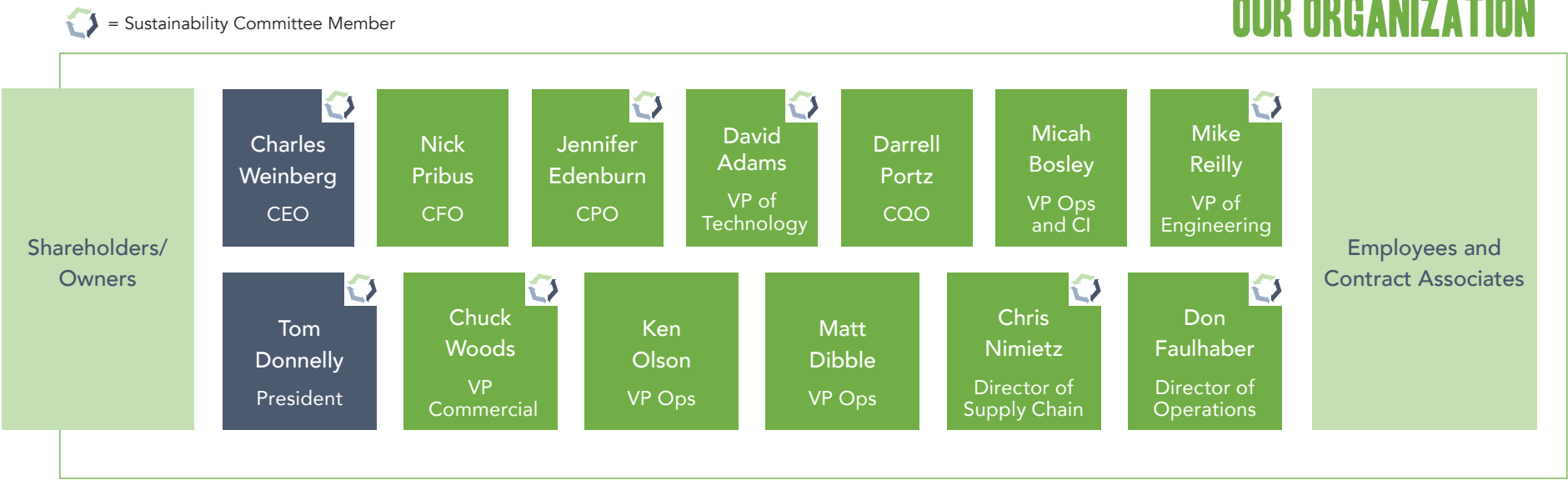
Canisters  
Bag in Box



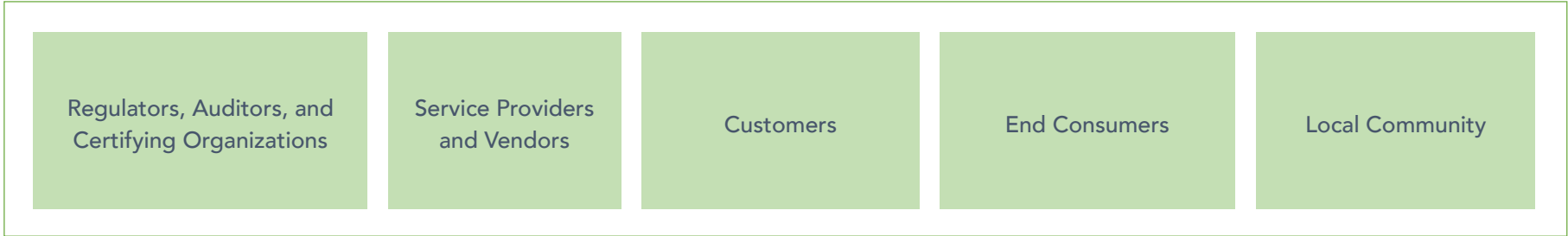
# Organization and Stakeholders

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

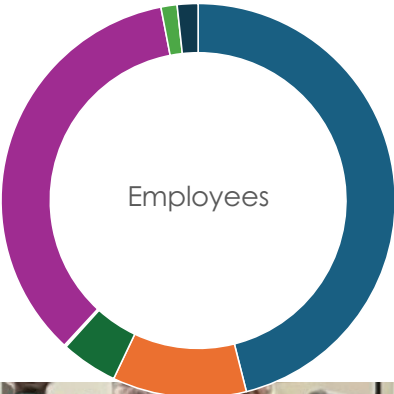
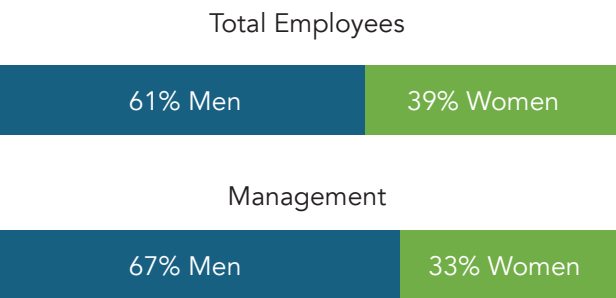


## OUR STAKEHOLDERS

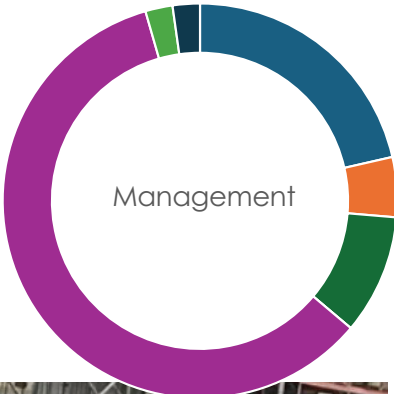


# Our People

**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!



	% Employees	% Management
Hispanic or Latino	45.94%	21.43%
Black or African American	10.96%	4.91%
Asian	4.63%	9.82%
American Indian or Alaskan Native	0.19%	0.0%
Caucasian/White	35%	59.38%
Two or More Races	1.32%	2.23%
Undisclosed	1.7%	2.23%





# 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 2024, 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.

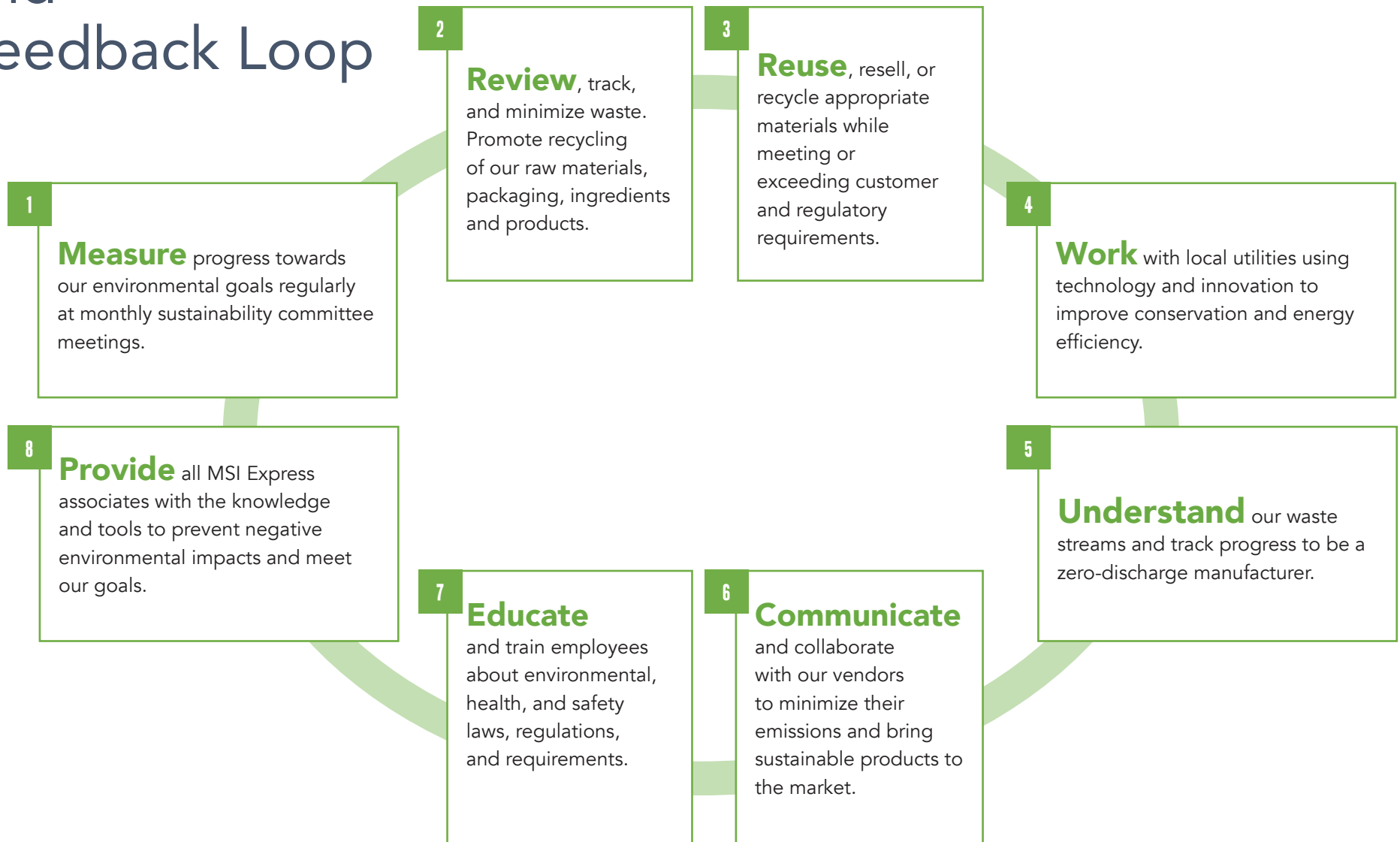
**Performance Incentives** - MSI Express has created incentive programs, such as preferred access to RFQs, to reward suppliers who consistently meet or exceed sustainability criteria.

**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.

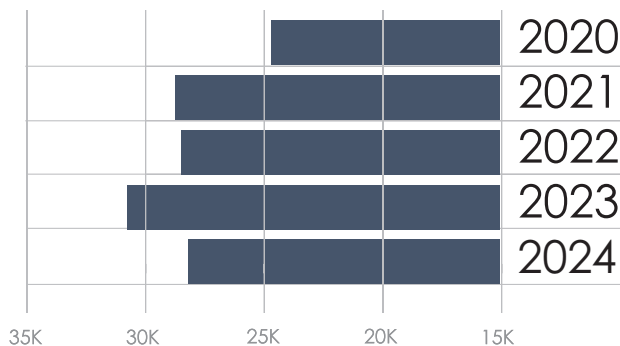


# Progress in Sustainability

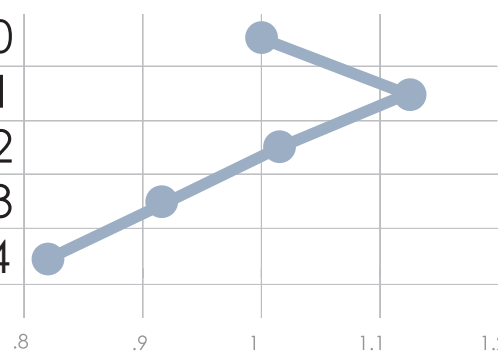
In 2024 we improved our sustainable packaging options and energy reporting capabilities to our customers:

- ◆ Switched from metal to paper canister lids for major snack customer.
- ◆ 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



2021 - 8,000 tons

2022 - 9,000 tons

2023 - 11,000 tons

2024 - 13,000 tons

**+61%** year over year.

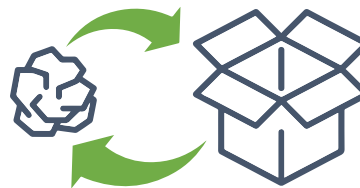
Our Trash to Treasure program makes recycling and waste reduction part of our production process.



## Green Products

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

The annual production of 1.47B drink sticks has the 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.

ecovadis

Sedex


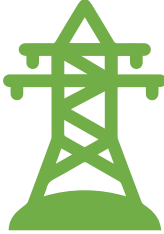
MANUFACTURE  
2030

MSI Express is a member of multiple organizations which facilitate our continuous improvement in manufacturing sustainability.

# Energy Consumption

## 2021-24

**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.

 <b>NATURAL GAS</b> in Therms			 <b>ELECTRICITY</b> 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	
<b>2024</b>	1,107,280	5,858	36,965,466	22,320	20%	.82	
4-year change			<b>-14%</b>			<b>+2%</b>	<b>-34%</b>

 <b>WATER</b> in Gallons (M)			
<b>2021</b>	64.1	1.01	
<b>2022</b>	61	.89	
<b>2023</b>	68.6	.82	
<b>2024</b>	65.2	.74	

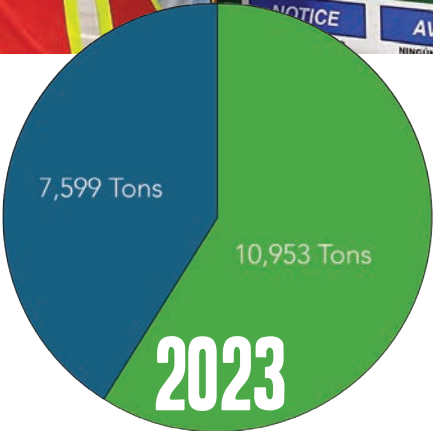
4-year change	<b>+8%</b>	<b>-27%</b>
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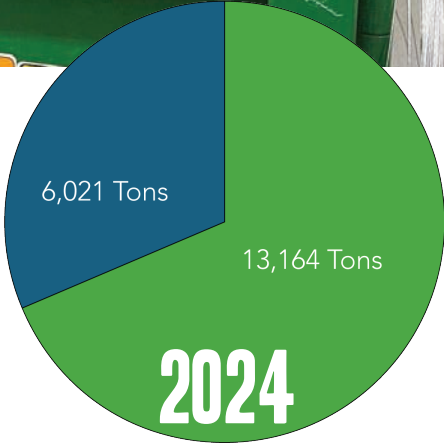
# Trash and Recycling Report

## 2023-24

- 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 Product 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



Trash Hauled Recycled Material

**18,552**  
Tons of trash  
generated total

**59%**  
Diverted from  
landfill

**19,185**  
Tons of trash  
generated total

**69%**  
Diverted from  
landfill

# 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 clean and safe  
**I**mprove continuously  
**N**ever “Not my job”



## 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.



# Personal Development and Training



## 2024 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.

73

Internal promotions  
in 2024

95

Training courses available  
in 2024

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, Amatro, LinkedIn Learning, Myers Briggs, CISSP and more.



**3,063** active training users.

**921** minutes (15 hours) trained per person.

**145,914** total training events completed.

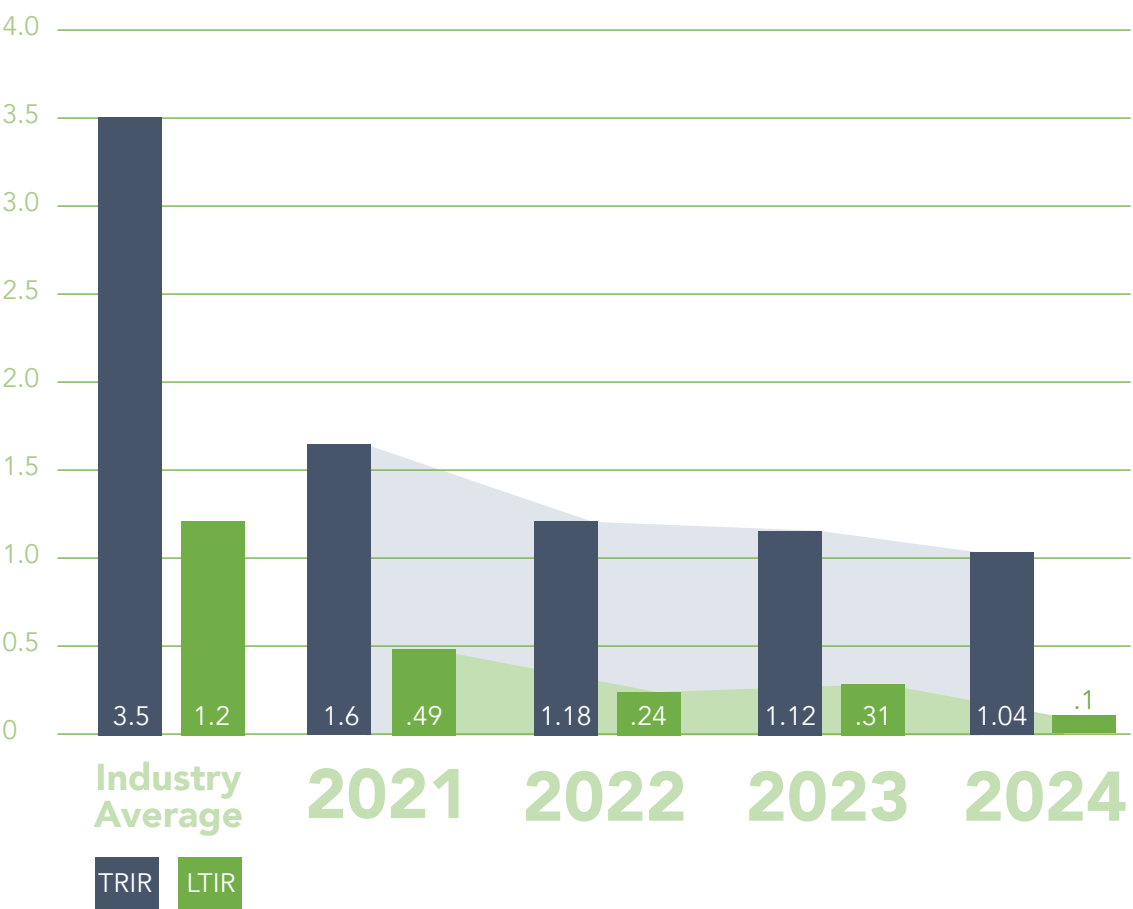
**47,022** total training hours spent.

# 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.



2024 summer internship program.



Volunteer event at The Morton Arboretum in June 2024.



Glenwood Academy golf outing 2024.

# 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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